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Part I: Co-operation and Association

SPAIN.

MISCELLANEOUS INFORMATION.

1. — MEETING OF THE CATHOLIC AGRICULTURAL FEDERATIONS OF LEON AND CASTILE. — The last meeting of the Catholic Agricultural Federations of Leon and Castile recently held at Valladolid was without any doubt one of the most important manifestations of the development of the movement in favour of association and co-operation in the rural districts of Spain.

The following federations were represented at it; the Catholic Agricultural Federation of Palencia; the Federation of the Catholic Agricultural Syndicates of Rioja; the Federation of the Diocese of Burgos; that of Astorga; the Mirobrigense Federation (Ciudad Rodrigo); the Federation of the Mountain (Santander); that of the diocese of Osma and the Vallisoletana Federation, in all eight federations. The whole number of syndicates represented by these federations was 650, with a total of 150,000 peasant members.

We shall give some account of the debates at this meeting, first pointing out that it is through its action that the idea of economic and social solidarity has spread among all its adherent associations. Considering the advantages of the association of all the efforts of the separate federations, it was decided to group them into one confederation in the shortest possible time. With this object in view, each of them was directed to draw up a code of rules to be subjected to examination by a Commission which will adopt the most suitable, or draw up another code, making use of the best suggestions in each.

Another subject considered at the meeting was that of collective purchase and sale by the united federations. Accordingly, it was decided to buy mineral manures for autumn use. With a view to this, each federation was to obtain orders from its syndicates before June 1st., and

when all had been sent in they were to be forwarded to the Federation of Valladolid before the 5th. of the same month, so that notice might be given, in the name of all the Federations, to suppliers, before the 10th. in order that estimates might be received up to the 20th., when it was to be decided to which of them the contract should be given.

It was unanimously decided that all the united federations should protest against any abuse by which any syndicate or federation might suffer, and any association thus suffering should give notice of the circumstance to the others. The meeting also decided to publish a bulletin to be the organ of the federations of Castile and Leon: selecting the *Boletín de Acción Social Católico-agraria de Castilla la Vieja*, already in existence.

Finally, after much consideration, a petition signed by the representatives of each federation was addressed to the Government; it contained the following requests:

(1) That the Royal Delegation of *Pósitos* might grant to agricultural syndicates of unlimited joint and several liability, and to the federations which they represent, the surplus resulting from the liquidation of the *Pósitos* at a very low rate of interest. (1).

(2) That, in modifying the law regulating the Banco di España, it should be made compulsory for the Bank to devote large sums to loans in favour of agricultural associations of unlimited joint and several liability either not at interest or at a very low rate.

(3) That the Government should give a favourable answer, with the least possible delay, to requests from syndicates for official recognition, and declare all the privileges granted to them by the law of January 28th., 1906 to be in force.

As may be seen in the article published in the last number of this Bulletin (2) it is clear from the two Royal Orders there mentioned that the last requests have been fully and fairly taken into consideration by the Government. Thus the practical results of the meeting have been most excellent, proving that the ideal of rural co-operation and association is continually making progress in the minds of the Spaniards.

(Summarised from the *Revista Social Hispano-Americana* of Barcelona).

* * *

2. — THE WORK OF CERTAIN CATHOLIC AGRICULTURAL ASSOCIATIONS IN 1913. — To show the development of the association movement in the rural districts of Spain, we now give some data as to the work of certain Catholic agricultural institutions in 1913.

Federation of Catholic Agricultural Syndicates of La Rioja. — At the last annual meeting of the syndicates forming this federation, held at Le

(1) In regard to the tendency towards the final organisation of the *Pósitos* implied in this clause, see the number of this *Bulletin* for June, 1914, p. 78.

(2) See article entitled *Two Royal Orders of Importance for the Agricultural Syndicates* in the number of this *Bulletin* for October, 1914, p. 22.

2000, a report of its work in 1913 was read. In the course of the year 15 new syndicates joined, so that the federation now comprises 73 syndicates, all working actively and registered according to law.

In the year, the Fomento Department granted the Federation as a bonus the sum of 3,084 pesetas, which was distributed among the viticulturists by the Board of Management in the proportion of 94 pesetas to each labourer, and 174 to each proprietor working his own farm.

From the report of the federation, we reproduce the following table, showing the value of the articles furnished in 1913 to the members.

	Value in pesetas
American Vines	0,386
Seeds	0,925
Trees	932
Machinery	3,005
Apparatus for Wine Making	1,947
Sulphate of Copper	27,287
Flowers of Sulphur	16,636
Spring Manure	29,533
Autumn Manure	353,689
Articles of Consumption	116,000
Other Articles	27,216
Total	583,646

Besides this, in the months of January and February, the Federation purchased for its members 52,125 grafts, 11,900 vines, and 104,414 slips.

Hitherto, only a few sales in common have been made by the federated syndicates. We shall mention the chief of these, pointing out that the Federation considers them only as *experiments in co-operative sale*.

The syndicate of Uruñuela, in order to secure its members against worry, granted them advances in money on their barley crop, long before the harvest, fixing a minimum price of 4.50 pesetas per *fanega* (33 kg.), the seller retaining his right to any profit made at the sale. The syndicate sold the 272 *fanegas* which it had purchased from its members as above indicated, at 7.50 pesetas, thus realising a total of 2,040 pesetas, and obtaining for the sellers a profit of three pesetas per *fanega*, making a total of 816 pesetas.

The result of this transaction appears the more remarkable when we remember that in former years, the farmers, under the burden of necessity, were obliged to dispose of a great part of their barley crop before the harvest to monopolists at prices varying from 3.50 to 4 pesetas per *fanega*.

Now we shall mention another operation conducted by the same syndicate.

The small farmers being anxious at the time of the vintage, on account of the small number of buyers who appeared and who offered no more than 1.50 per *arroba* (11.50 kg.), requested the syndicate to attempt sell-

ing collectively. This was effected on the same basis as above, though the transaction was rather more complicated than that before mentioned; the syndicate buying 4,704 *arrobas* at a minimum price of 1.25 pesetas, for a total amount of 5,880 pesetas. The amount offered by the monopolist, was 1.50 pesetas per *arroba* and would have given altogether 7,056 pesetas. Now the syndicate has sold the wine made from these grapes at 4.20 pesetas per *cántara* (16 litres), for altogether 9,878 pesetas. The operation, which, as has been shown, includes the wine making, is not yet concluded, but the syndicate affirms that, in the end, the members will obtain 0.40 pesetas per *arroba* more than was offered by the monopolist.

The syndicate of Uruñuela has shown that the money needed for this kind of transaction, usually effected in a relatively short period of time, can be raised by means of loans.

From the following balance sheet of December 20th., 1913, it will be seen that the economic position of the Federation is very satisfactory, in spite of its limited resources.

Assets			
Cash in Hand	27,780		
Personal Estate	547		
Stores	1,617		
Current Accounts (Debtors)	190,286		
Banco Rojano (c/c)	90,766	240,006	
Liabilities			
Current Accounts (Creditors)	29,366		
Bills to Pay	201,269	239,635	
Balance			10,361

The Leo XIII People's Bank. — We reproduce the following data from the report for the financial year 1913. During that period this bank granted loans to agricultural syndicates to the amount of 628,854 pesetas, representing an increase of 162,339 pesetas on the amount of the loans granted in 1912, which was only 466,515 pesetas. An idea of the extent of the transactions conducted by this bank may be obtained from the table given below, which shows the amounts of the loans granted, the amounts repaid, and those not repaid at the end of each of the five financial years, from 1909 to 1913.

Year	Loans Granted	Amounts Repaid	Balance of Loans Due at the End of the Year
1909	297,925	234,331	238,859
1910	324,980	280,431	293,408
1911	411,000	317,650	376,757
1912	466,515	424,260	419,012
1913	628,854	453,842	594,023

It has been possible to meet the increased demand for loans by means of the subscription of bonds remaining with the Bank up to the end of the preceding year, and more especially by the issue of shares to the amount of 150,000 pesetas, of which 20,000 pesetas are still to be disposed of.

Although the scarcity of money was an inducement to increase the rate of interest by $\frac{1}{2}\%$, as the Banco de España and other credit institutions have done, the Leo XIII Bank preferred to make no change in the interest on loans, though it was obliged to pay the difference on current accounts opened for it.

This and the expenses of advertising during the year have somewhat diminished its profits.

Besides these particulars derived from the report, we shall mention, according to information which has been furnished to us directly, in regard to the current year, that the amount of the shares up to June 1st, 1914 was 5,000 pesetas. Of the 195 agricultural syndicates connected with the bank 126 had obtained loans at that period.

The balance at the end of the year 1913 amounted to 654,643 pesetas, and the profits realised to 6,540 pesetas.

The Catholic Agricultural Federation of Palencia — At the annual meeting of the Catholic Agricultural Federation of Palencia, which includes 6 syndicates in that province and in Leon, Segovia, and Zamora, a report was made of the financial situation, which shows the prosperity of the federation, since in only five months of working it has made a net profit of 2,101 pesetas.

The total value of the consignments made to the syndicates through the intervention of the Federation, that is of articles of consumption, more machinery, etc., amounted, in the above mentioned period, to 1,900 pesetas; that of the loans granted to the syndicates to 13,891 pesetas; and the Federation also granted them various facilities for the payment of the sums due.

Besides, the Federation has opened a central savings bank where deposits can be made in current account at 3% when less than 2,000 pesetas, and 3 $\frac{1}{2}\%$ when more than that amount. This bank has already received deposits to the total amount of 15,777 pesetas. But, this sum not being sufficient for its development, the Federation has opened a credit account with the *Banco de España*, so as to meet all demands of the syndicates.

(Summarised from the Report of the Federation of Catholic Agricultural Syndicates of la Rioja, of Logroño, and the Paz Social of Madrid).

* * *

3. — FOUNDATION OF THE AGRICULTURAL CHAMBER OF INFANTES. — In conformity with the Royal Decree of November 14th., 1890, the Agricultural Chamber of Infantes (Province of Ciudad Real) has just been constituted.

According to the Royal Decree of 1890, those associations are considered official agricultural chambers which are of permanent character, and which, using their constitutional liberty, conformably to the law of 1889 on associations, unite Spanish citizens for the purpose of defending and promoting the interests of agriculture, of rural property, of crop and rural industries, whatever may be the procedure or methods they have adopted or may adopt within the limits of the law, for this end.

To be considered as officially organised, the constitution of an agricultural chamber must be recognised by a Royal Decree authorised by the Fomento Department. This recognition will be granted to any association requesting it, on its complying with certain conditions in regard to its constitution and organisation.

Over and above the inherent rights of associations of public interest agricultural chambers are among other things permitted; (a) to form *montepios*, and savings and insurance banks for the benefit of their members; registry offices for agricultural labourers, and asylums for the aged and incapable; (b) to buy and resell or hire out to their members, machine implements, manure, seed, and livestock, and to guarantee payment of purchases of any of these articles made directly by their members; (c) to receive deposits of all kinds, to open current accounts, and to undertake for a commission, to pay letters of exchange and of credit, or to store fruit and agricultural produce, for their members; (d) to contract loans to enable them to conduct these operations, in which case the individual liability of every member is to be fixed in the Rules; (e) to encourage agricultural education and to arbitrate in case of differences arising among merchants, manufacturers, and agriculturists, to organise exhibitions, to suggest to the public authorities measures calculated to promote the development of agriculture etc.

Independently of the grants the Government may make to the institutions, their expenses will be defrayed by the contributions of the members.

The Agricultural Chamber which has been constituted at Iruña is based on the principles of mutual credit and unlimited joint and several liability. Its chief object is to encourage agriculture by granting loans at low interest to its members, or by the purchase of seed, plants, manure, agricultural machinery, breeding stock, and all requisites for agriculture and livestock improvement. It also proposes to organise the protection and defence of farms, crops, and cattle, by forming, as soon as possible, a farmers' community (1) and instituting at the same time insurance of crops and buildings, as well as of the machinery and implements used by their members in their work and of their livestock.

The members of this Chamber may be honorary, full or occasional. The honorary members are those who, in the opinion of the General Meeting, deserve this distinction for moral or material assistance given to the Chamber; they will be exempt from all contributions, charges, or ob-

(1) See the number of this Bulletin for August, 1914, p. 14.

The full members, besides their monthly contributions, pay 25 pesetas as entrance fee. The occasional members only pay two pesetas per month.

The indispensable conditions for membership are: residence in the neighbourhood, the full enjoyment of civil rights, the proof, by means of receipts, of payment of the land tax, with indication of the holding possessed, showing whether it is held as absolute property or in usufruct, whether it is burdened with mortgages or other charges, and, finally, that the member does not belong to any other association the rules of which require the unlimited joint and several liability of its members.

Women enjoying civil personality and possessing civil rights who apply in due form for membership may become members of the Agricultural Chamber.

The share capital is to be formed by means of entrance fees and the monthly contributions of members, the profits accruing from the business, grants from the State, the province or the commune, and donations.

Members and also outsiders may deposit their capital with the Agricultural Chamber at 5 % per annum, and the sums thus deposited will serve as a guarantee of the share capital as well as of the unlimited joint and several liability of the members.

The loans made by the Agricultural Chamber to its members will be ordinary, extraordinary, and on pledge. Ordinary loans are compulsory, and must not exceed 75 % of the capital of the member; extraordinary loans are for more considerable sums, and require the security of one or more signatures; loans on pledge are granted on the security of agricultural products or of livestock, the bank reserving the right to sell all or part of the security in payment of the loan.

To settle the credits to which all members have a right, they are divided into thirty categories, on the basis of the capitalisation, at 1 %, of the annual amount of the rural contribution and 0.3 %, of the urban and industrial contribution.

(Summarised from the "*Lega agraria*" of Madrid.)

ITALY.

I. THE CO-OPERATIVE LABOUR SOCIETIES AND THE PUBLIC CONTRACTS UNDERTAKEN BY THEM.

OFFICIAL SOURCES :

- LEGGE 11 LUGLIO 1889 N. 6216 RIGUARDANTE GLI APPALTI DI LAVORI PUBBLICI A SOCIETÀ COOPERATIVE DI PRODUZIONE E LAVORO (*Law of July 11th., 1889, No. 6,216, on Public Contracts Entrusted to Co-operative Societies for Production and Labour*).
- LEGGE 12 MAGGIO 1904 N. 178 (*Law of May 12th., 1904, No. 178*), Amending Article 1 of the above law.
- LEGGE 19 APRILE 1906 N. 126 PORTANTE DISPOSIZIONI PER LE SOCIETÀ COOPERATIVE DI PRODUZIONE E LAVORO CHE CONCORRONO ALLE PUBBLICHE GARE (*Law of April 19th., 1906, No. 126, containing Provisions in regard to the Co-operative Societies for Production and Labour tendering for Public Contracts*).
- LEGGE 25 GIUGNO 1909 N. 422 SUI CONSORZI DI COOPERATIVE DI PRODUZIONE E LAVORO (*Law of June 25th., 1909, No. 422, on Co-operative Consortiums for Production and Labour*).
- REGOLAMENTO PER LE COOPERATIVE E I LORO CONSORZI AMMESSI A PUBBLICI APPALTI. APPROVATO CON REGIO DECRETO 12 FEBBRAIO 1911, N. 278. (*Regulations for Co-operative Societies and Consortiums Authorized to Undertake Public Contracts, Approved by Royal Decree of February 12th., 1911, No. 278*).
- SOCIETÀ COOPERATIVE E APPALTI DI LAVORI PUBBLICI. Ministero del Tesoro. (*Co-operative Societies and Labour Contracts. Treasury Department*). General Government Accounting Office. Rome, Tip. Nazionale, G. Bertero and Co., 1911.
- STATISTICA DELLE SOCIETÀ COOPERATIVE DI PRODUZIONE E LAVORO INSCRITTE NEI REGISTRI PREFETTIZI PER L'AMMISSIONE AGLI APPALTI DI LAVORI PUBBLICI AL 30 GIUGNO 1910. (*Statistics of the Co-operative Societies for Production and Labour Registered in the Prefectural Registers as Contractors for Public Works, on June 30th., 1910*). Department of Agriculture, Industry and Commerce. General Management of Credit and Thrift, Co-operation and Social Insurance. Rome. Tip. Nazionale, G. Bertero, and Co., 1911.
- RELAZIONE STATISTICA SUI CONTRATTI D'APPALTO. (*Statistical Report on Contracts*). Vol. 1910-1912. Department of Public Works. General Secretariat. Rome, Tip. dell'Amministrazione, 1914.

OTHER SOURCES :

- MANFREDI (Adv. FELICE) : Manuale per le cooperative di produzione, lavoro e agricole ammissibili a pubblici appalti e loro consorzi (*Manual for Co-operative Societies for Production and Labour and Agricultural Societies, Authorized to Undertake Public Contracts, and their Consortiums*). Published by the National League of Co-operative Societies. Milan, Stamp. Tipografica dell'Unione Cooperativa, 1914.

§ 1. ORIGIN AND OBJECT OF THE CO-OPERATIVE LABOUR SOCIETIES.

The co-operative labour society is one of the most original forms of co-operation in Italy. Formed amongst workmen, especially farm day labourers and builders, the principal object of such societies is to free labour from subjection to the ordinary contractors and to undertake public contracts themselves.

In some places (Emilia, Romagna), where labourers superabound, they have striven to reduce the amount of unemployment by applying for public contracts and adequately distributing the work among their members.

These societies occupy themselves preferably with the construction and maintenance of roads, bridges and canals, hydraulic works, drainage, irrigation, the regulation and transformation of farms etc.

For the most part they are legally constituted as co-operative societies limited by shares. Among the organizations promoted by the day labourers we may distinguish three species (1): 1st., those only accepting labourers as members; 2nd., those accepting labourers as full members and others as honorary members; 3rd., those accepting labourers and others on equal terms.

The members who carry out the works as a rule receive remuneration, sometimes a fixed daily wage, sometimes so much for the job.

The profits are generally distributed as follows: after deduction of a certain proportion for the reserve fund (usually utilised as working capital) and a suitable amount for special funds, the balance is distributed according to the work done, that is the remuneration received. This is what has been called the *labour dividend* system, with which is often combined payment of interest on shares. In some societies the profits are distributed among the shareholders in accordance with the number of their shares; in others, finally, as at Ravenna, they are divided equally among all the members.

Favoured by special legislative provisions we shall consider in a special chapter, these societies have in recent years extended themselves very widely, owing principally to the immense increase of public works and of building in Italy.

The small and hesitating society, consisting of a hundred unemployed carters and navvies, formed to undertake directly the construction of a short length of embankment, gradually led to the larger day labourers' co-operative society (that of Ravenna, which is the type), which does not limit its action to small works within the confines of its province, but goes here and there with its numerous gangs of members to execute important hydraulic defence works and to reclaim large areas and render them again productive.

(1) See GHINO VALENTI: *Co-operative rurale* (second Edition). Biblioteca agraria. Pietro Cuperi. Florence. G. B. Barbèra, 1914.

Nor does the co-operative organization of labour stop with the individual local societies, but it has gone on to the foundation of large co-operative consortiums, for the execution of large public contracts, such as the construction of an entire railway (the Reggio-Ciano railway in the province of Reggio Emilia), and the carrying out of large drainage works in Sardinia and Southern Italy. The consortiums of Ravenna, Legnago, Bologna and Milan have in hand drainage, railway and road construction and building contracts for a total amount of several million francs. There are now about 20 of these consortiums.

Again, the large drainage works in the districts of Mantua and Reggio that are costing millions of francs, are principally in the hands of the day labourers' co-operative societies of those provinces. In the districts of Ferrara, Padua and Bologna other important hydraulic works have been executed by the local day labourers' co-operative societies. All embankments have also been completed by the co-operative societies of the provinces of Cremona, Piacenza, Parma, Modena etc.

These characteristic organizations have also led to the formation of other societies, and, indeed, for hydraulic works and the embankment of rivers, the work of bricklayers, carters and quarrymen is almost always needed. These classes of men, engaged in fatiguing work, up to a few years ago received only miserably low wages.

But the example of the day labourers had a salutary effect and in many districts there soon arose specialised co-operative organizations of bricklayers, carters, quarrymen, brickmakers etc., which appreciably improved the situation of the workmen registered with them.

§ 2. THE VARIOUS SYSTEMS OF GRANTING PUBLIC CONTRACTS IN ITALY.

In order the better to explain the principles we shall shortly deal with regulating the grant of contracts to the co-operative societies, it is first of all necessary to mention the existing systems in accordance with which contracts for public works are granted in Italy.

The matter is regulated :

(a) in the case of the State, by the final text of law no. 2019 of February 17th., 1884 and the Executive Regulations of May 4th., 1885, no. 3,074, as well as by law of March 20th., 1865, Schedule E. (article 30 et seqq.);

(b) in the case of Communes and Provinces, by Royal Decree of July 6th., 1890, no. 7,036, included later in the final text of the Communal and Provincial Law of May 21st., 1908, no. 269.

The fundamental principle sanctioned by the above laws on Government accounts, is that "all contracts by which the revenue or expenditure of the State is affected must be put up to public tender, except in cases specially provided for by the law." These cases may be summarised as follows: (a) when it is materially impossible to offer for public tender and this impossibility may be due to the object of the contract, when

the matter in question is guaranteed by an industrial patent, or it may arise in connection with the machinery or implements, or with special works that can only be carried out by specialised firms or when there are circumstances excluding the possibility of more than one tender, as in the case of renting buildings; the impossibility may also be due to circumstances inherent in the execution of the contract, such as the urgency of providing for the work, the necessity of making purchase of articles in the places of their production or directly from the producers; (b) when, on account of the small value of the contract (10,000 frs. at most), or the special nature of the work, it is not advisable to resort to the complex and expensive method of calling for tenders; (c) in cases of work that must be performed at low cost and not provided for by means of special regulations, on condition that the amount does not exceed 4,000 frs.; (d) when a call for tenders has been ineffectual.

We shall see how the regulations governing the grant of contracts to co-operative societies and consortiums modify the above general rule.

Whilst it is laid down as a principle that the ordinary method to be adopted for the grant of contracts for public works must be a call for public tenders, in exceptional cases contracts may be granted: 1. in accordance with private tender; 2. by private agreement.

Let us briefly consider these three systems:

(a) *Public Tender.* — According to the above mentioned regulations of 1885, when contracts have to be granted after a call for public tenders, the office which must grant the contract must first of all notify the public, giving at least fifteen days in which the tenders may be presented. In the notice all the fundamental conditions for the tender and the contract must be indicated.

In order to be allowed to make tender, in case of engineering works or new constructions, the applicant must give proof of his capacity by means of a certificate delivered by the prefect or subprefect, six months previous to the date on which the decision is to be made, testifying that he has given proof of competence and sufficient experience in the execution or direction of other similar contracts for public or private works.

If the applicant cannot prove his capacity and presents in his stead a person who unites the above conditions to whom he engages to entrust the execution of the works, the Administration may allow him to tender. This last provision is very important as it allows the association of capitalists and engineers in tendering for contracts.

The tenders of those persons who in the execution of other undertakings have been guilty of negligence or dishonesty towards the Government or towards private persons are not accepted.

The applicant must give security for his good faith, the amount of the security may vary from one tenth to one thirtieth of that of the contract price.

On the day and the hour fixed in the notice, the authorities shall declare the competition open. If an hour passes without at least one or two applicants presenting themselves, in the case of secret tenders, a sec-

and call is made. The procedure must be the same as in the former case, and the contract must be given even if there be only one applicant.

A candle is lit and tenders are accepted as long as it burns (*a candle vergine*), but more frequently the tenders are made in secret. In the first case, which is rare, there is a maximum of cost established in advance. In the second, however, the maximum or minimum is established in advance and entered on a paper which is kept secret, enclosed in an envelope sealed with a special seal and placed on the table before the judges, the seal not to be broken before all the tenders have been received and read. The Administration, in this case, may arrange for tenders to be received simultaneously in various places. This is done in the case of contracts for amounts of over 100,000 frs., for which it is desirable that firms in every part of the kingdom should tender.

The most favourable offer is accepted: the firm receiving the contract must, at the moment of concluding it, give definite security of not less than ten or more than twenty per cent. of the value of the work. This guarantees the strict fulfilment of all obligations assumed by the contractor.

(b) *Private Tender*. — In the case of private competition: (1) By private advice those who are considered competent for the work are invited to appear in a special place on a certain day and at a certain hour to make their tenders; (2) those who are considered competent for the work receive a rough draft in which the work to be tendered for is described and the general and special conditions are shown, and they are asked to return it signed, with indication of the amount for which they are willing to contract.

In the first case, the tenders are made verbally, if so required, or in writing, if the tenders are secret. If not otherwise stated in the notice, the authorities delegated, after inviting the competitors to make new tenders with conditions more favourable than the best presented, make the award in the same sitting and contract with the applicant who makes the most suitable tender.

In the second case, the authorities who have to make award proceed on a day and at an hour, to be notified to the persons invited to tender in a public session, to open the applications received and grant the contract to the applicant making the most suitable tender, drawing up a report of the firms invited to tender, the tenders received and the award.

(c) *Private Arrangement*. — The public Administration also makes contracts with private individuals.

Neither the law nor the regulations on the general accounts of the State in establishing the cases mentioned above in which, instead of public tenders being called for, contracts may be stipulated with private individuals, so when private tenders must be called for and when arrangements can be made otherwise with private individuals. But the law of July 17th, 1911, no 511, establishes that when public tenders are not called for private tenders must be, and, only when it is not possible to obtain more tender or special reasons of convenience advise it, may private negotiations be entered into with individuals. Even the rules for the grant of contract to co-operative societies establish that private tenders must generally be

relied for and private arrangement only resorted to as an exceptional measure.

Let us now examine these rules regulating the co-operative societies and let us see how they modify the principles of common law in regard to public contracts mentioned above.

§ 3. PRINCIPAL RULES FOR THE GRANT OF CONTRACTS TO CO-OPERATIVE SOCIETIES AND CONSORTIUMS.

The development of the co-operative societies for labour in Italy is without doubt largely due to the promulgation of special laws on the grant of contracts to co-operative societies.

The first law that facilitated for the co-operative societies the undertaking of Government contracts was that of July 11th., 1889, no. 6,216, to amend the regulations with regard to the general accounts of the State. It in fact, provided that co-operative associations for production and labour, legally constituted among workmen, might be invited to tender for contracts or private negotiations might be entered into with them for the same purpose, saving them from the dangers of public competition and, at the same time, giving them facilitations in the matter of payment and that of the security given. Payment, that is to say, must be made by the State to the societies in instalments, in proportion to the work carried out, and the security must be given, not at the moment of passing the contract, but by means of a stoppage of 10 per cent on every instalment of payment for work done and approved. This provision removes the difficulties such organizations experience in giving the security required by the Administration for the observance of the contracts entered into with it.

But these facilitations were limited in two ways by the law of 1889: in the first place, in regard to the amount, in the second, as regards the nature of the work, as it only allowed contracts to be given to the co-operative societies for amounts of less than 100,000 francs, the greater part of which was to represent the cost of labour.

This latter limitation was evidently due to the uncertainties and fears that prevailed in regard to the matter.

As it was a question of taking the first steps in an unknown and hazardous direction, it was determined at the time not to sacrifice the principle of public tender and free competition for contracts of industrial character, on the ground that only in cases in which labour is absolutely more important than capital can it do without intermediaries. In reality, at the moment the law was passed, co-operation was still a new thing in Italy and many doubted whether the working classes, with the resources at their disposal could undertake the execution of public works, which require the constant and intelligent direction of a single strong management. But experience did not justify these doubts, so that, three years later, in 1892, Signor Luzatti, speaking in Parliament as a Member of the Ministry, recognised that these societies, with the increase of their capital, their reserve funds and the

number of their members, were now in a position to undertake more important contracts and proposed to raise the limit of value of the contracts to be granted to them to 200,000 frs. The reform, however, was deferred another ten years and it was only by law no. 178, of May 12th., 1904, that the Government and the Administrations subject to its supervision were allowed to call for private tenders and enter into private negotiations for contracts of a value of 200,000 frs., with exemption from the necessity of giving security, for works of construction and maintenance, supply and public service, with co-operative associations for production and labour legally constituted among labourers, or with *agricultural co-operative societies* also legally constituted among small farmers. In regard to payment power was given to issue orders in advance.

The new law, however, abrogating the above condition regarding the greater importance of the labour, recognised the competence of co-operative societies to undertake contracts also of industrial and capitalistic character.

By law of April 19th., 1906, no. 126, the exemption from the deposit of security is also extended to co-operative societies for labour and production that enter for public competition, for contracts of a value not exceeding 200,000 francs; an exemption which, according to the circulars of the Department of Public Works, must be understood as referring not merely to the final security but also to the temporary security deposited, in case of public and private tenders, in guarantee of the seriousness of the tender.

The above laws were followed by that of June 25th., 1909, no. 422, on co-operative consortiums. This law, favouring the tendency, already long observed among the co-operative societies for production and labour, to unite in consortiums to compete for contracts of greater importance, gave its sanction to the following principles :

1st., that the co-operative societies for production and labour legally constituted may unite in consortiums to undertake contracts for public works in every part of the Kingdom, for the State or incorporated bodies;

2nd., that these contracts may be made with the consortiums by private agreement, provided the amount of the contract does not exceed the total amount of those granted to the individual societies constituting the consortium, and the amount for each work does not exceed 2,000,000 frs.;

3rd., that, for the formation of the security, the rules in force for the co-operative societies for production and labour are extended also to the consortiums.

These consortiums are constituted by Royal Decree in accordance with the proposal of the Minister of Agriculture, Industry and Commerce in concert with the Minister of Public Works; they enjoy full independence, but are subject to the supervision of the Departments of the above mentioned Ministers; they have civil personality, limited by the rules of the Commercial Code in respect to their commercial operations and as regards all consequences deriving therefrom.

For the execution of the various laws on the co-operative societies and their consortiums, above dealt with, provision is made by Regulation no. 278 of February 12th., 1911.

In the first place, specification is made of the types of co-operative societies benefiting by the special laws on public contracts above mentioned. The absence of any clear indication as to which of the various types of society really benefited by the law was indeed up to that date the reason why many, especially agricultural, co-operative societies abstained from tendering for public contracts. Therefore, the enumeration made for the purpose in the regulations is of fundamental importance. It is as follows: 1st., co-operative societies for production and labour; 2nd., *agricultural co-operative societies*, such as collective farms, co-operative dairies, wine societies, distilleries, agricultural consortiums, co-operative elevators and every other co-operative undertaking for purposes of agricultural production; 3rd., mixed co-operative societies, that is, those uniting the objects and characters of some of the above, or with other co-operative objects.

To prevent the foundation of false co-operative societies, the same regulations therefore provide that the number of the members, unlimited according to the commercial code, may not be less than nine, the minimum considered indispensable for the ordinary work of association; they must be workmen in the co-operative societies for production and labour, and small landholders, tenant farmers or metayers in the agricultural co-operative societies.

Further, all the prefectures of the Kingdom must ascertain the true nature and composition of the societies before they are allowed to benefit by the law. For the purpose, a register must be kept in every prefecture, on which must be entered the most characteristic details of the societies that may be allowed to tender for public contracts.

The above regulations also lay down rules for the supervision of the co-operative societies contemplated therein, both as regards the institutions that must exercise it and their functions.

As regards the institutions, the chief supervision is exercised by the State, through the Department of Agriculture, Industry and Commerce. Local supervision is exercised by the "provincial supervision commissions", presided over by the prefects and consisting partly of public officials, and partly of elected members, appointed by the co-operative societies entered on the prefects' registers.

In regard to the functions of these commissions, they are *consultative*, in respect to registration, suspension and cancellation of the names of co-operative societies on the prefects' registers; *inspectional*, in regard to the organization and working of the societies entered; *completive*, optionally, when they are asked for advice, or when it is held advisable to lay down rules for the societies, for their illumination and the support of their action; *conciliatory*, when the settlement of difficulties arising within the societies is referred to them. Especially must the provincial commissions examine the balance sheets and watch that the co-operative societies registered on the prefects' lists preserve their characteristics and co-operative spirit and respect the laws and their own rules and regulations. And, since without inspection there can be no effectual supervision, it is

provided that the societies must submit to ordinary or periodical and special inspections.

For this intense local supervision there is an adequate administrative organization at the Department of Agriculture, furnished with the means required for the direction of this service. The work of the Department is carried on with the assistance of an advisory body, the *Central Commission for the Co-operative Societies*, invested with ample powers in all matters appertaining to co-operation and, in respect to the co-operative consortiums, the same functions as the provincial commissions have in respect to individual co-operative societies.

§ 4. FISCAL FACILITIES FOR CO-OPERATIVE SOCIETIES AND THE PROBLEM OF CREDIT.

Among the facilities of a fiscal character enjoyed by all the co-operative societies and consequently also by the co-operative labour societies, the exemption from stamp and registration duties will be remembered. The co-operative societies are indeed exempted from payment of the above taxes on all deeds within five years from their foundation and up to the moment when their real share capital exceeds 30,000 frs. (final text of the stamp laws, art. 27, no. 9; and of the registration laws, art. 153, no. 3). The law of June 25th., 1909, above mentioned, has further granted the co-operative consortiums the same facilities as the societies, with regard to the stamp laws, as long as their total capital does not exceed 200,000 frs. and the individual societies do not contribute to it more than 30,000 frs. each. The deeds of the Consortiums must, however, be registered at the fixed rate of 1.20 frs. These facilities also have effect during the five years following the foundation of each consortium.

The societies being thus protected from the rivalry of other businesses, and receiving facilities for competing publicly for and undertaking contracts of every kind, another matter had still to be settled, which has grown especially serious recently, owing to the increased activity of these organizations: namely, that of credit.

And, in fact, even co-operative societies that seem most worthy of confidence, sometimes have difficulty in obtaining credit, as it is generally easier to estimate the credit of an individual firm than that of a society and the latter form of enterprise has always to contend against prejudice and doubt.

The Italian Government, however, more and more convinced that co-operation deserves to be encouraged and assisted even in the matter of public contracts, on February 11th., 1910, when Signor Luzzatti was Minister of Agriculture, introduced a Bill for the institution of a *Bank of Labour and Co-operation*, the special object of which was to be to conduct credit business of every kind with co-operative societies for labour and production, legally constituted, consortiums of co-operative societies, people's and workmen's co-operative societies, collective farms etc., especially for the pur-

pose of facilitating the execution of public contracts and home colonisation undertakings.

The Bank was to be founded with an initial capital of 15,000,000 frs. constituted by means of a contribution of 10,000,000 frs. paid by the State, not to be returned and with assistance from the Bank of Italy, the ordinary savings banks, the Credit Institute for the Co-operative Societies etc.

But the Bill did not pass; as, however, it was urgently necessary to provide credit for the co-operative societies, in 1913, there was founded at Rome, on the initiative of the Hon. Signor Nitti, Minister of Agriculture at the time, an *Istituto Nazionale di Credito per la Cooperazione* (National Institute of Credit for Co-operation). Its object was, under the supervision of the Department of Agriculture, Industry and Commerce, to grant credit to co-operative societies of every kind and to their consortiums, legally constituted. The initial capital was fixed at 7,750,000 frs., of which 1,000,000 frs. was contributed by the *Banca d'Italia* (Bank of Italy), 2,000,000 frs. by the National Thrift Bank (*Cassa Nazionale di Previdenza*), 1,000,000 frs. by the Institute for Credit to the Co-operative Societies (*Istituto di credito per le cooperative*) and the rest by the ordinary savings banks of the various provinces of Italy.

Finally, it must be said that, since 1904, the *Istituto di Credito per le Cooperative* (Institute for Credit to the Co-operative Societies), founded at Milan by the *Società Umanitaria*, provides credit to societies for production and labour, which are also assisted by the People's Banks and other credit institutes.

5. STATISTICS AND INFORMATION IN REGARD TO THE PUBLIC CONTRACTS UNDERTAKEN BY THE CO-OPERATIVE SOCIETIES.

After what has been said, we have only to consider what share the co-operative societies have really had in the public contracts. For the purpose, we shall utilise the official reports and statistics.

The first report on contracts entrusted to co-operative societies was published in 1892 by the Department of Public Works. It was concerned with the period from 1888 to 1891, already showing the successful intervention of labour societies in the domain of contracts.

In 1908, the Treasury compiled a list of co-operative societies for production and labour registered on the prefects' lists and a list of the contracts granted to them by the Government Administrations in the period 1889-1907. The next lists were for the whole of 1908 and 1909, and in these the number and amount of the contracts granted to the co-operative societies by Administrations under Government supervision were also shown.

From this last publication it appeared that on December 31st., 1909, 547 societies were registered on the prefects' lists, most of them being societies for production and labour and almost all having their headquarters in the provinces of North and Central Italy. Between 1889 and 1909,

3,434 contracts were given to co-operative societies by the Government Administrations, for a total amount of 70,741,346.92 frs., there being an amount of 14,273,927.15 frs. for the years 1908 and 1909 alone. The provinces in which the largest number of these contracts were granted between 1889 and 1909 were :

	Number
Rome	545
Ravenna	527
Genoa	394
Padua	299
Ferrara	222
Reggio Emilia	190
Bologna	173
Rovigo	109
Verona	107
Modena	90

The amount, was, however, distributed among the same provinces, as follows :

Ravenna	frs. 16,476,529.71
Padua	9,430,164.81
Bologna	7,572,339.63
Ferrara	7,008,991.03
Verona	4,277,738.77
Genoa	3,657,454.17
Rome	3,157,159.15
Rovigo	2,720,007.41
Reggio Emilia	1,258,857.45
Modena	1,802,977.86

The report in question showed a total amount of 18,104,856.19 frs. for 992 contracts given to the co-operative societies by the provinces, communes, consortiums, benevolent institutions etc.

In this case also, it seemed that co-operative labour on public contracts was almost exclusively confined to certain provinces of North and Central Italy, especially Reggio Emilia (2,142,656.41 frs. for 103 contracts); Bologna (2,099,362 frs. for 144 contracts); Rome (1,175,501.52 for 50 contracts); Genoa (1,041,110.07 for 25 contracts); Florence (892,040.99 for 34 contracts); Piacenza (891,242.75 for 37 contracts); Ravenna (857,088.22 for 102 contracts).

Taking the contracts given by the State and those given by Administrations subject to Government supervision together, we find on December 31st., 1909, a total of 4,426 contracts for a total amount of 88,846,203.11 frs.

The provinces in which the largest total of contracts were granted and for the largest amounts, were the following :

Province	Number of Contracts	Amount frs.
Ravenna	629	frs. 17,333,617.93
Padua	314	" 10,168,089.77
Bologna	317	" 9,671,701.63
Ferrara	263	" 7,379,339.36
Genoa	329	" 4,668,564.24
Verona	119	" 4,605,597.79
Rome	595	" 4,332,660.67
Reggio Emilia	293	" 3,401,513.86
Rovigo	122	" 2,796,582.06
Modena	132	" 2,516,606.87

The Regulations no. 178 of February 12th., 1911 on co-operative societies and consortiums of co-operative societies admitted to public competitions for contracts, order that there be published every two years by the Department of Agriculture, Industry and Commerce, a list of these co-operative societies and consortiums, and another of the contracts granted to them by the Government Departments and all those Administrations subject to State supervision.

In 1911, in accordance with this provision, the Department published a list of the co-operative societies for production and labour which were found registered on the prefects' lists as contractors for public works, supply and public services, with indications of their situation on December 31st., 1909.

From this publication, which was based on principles other than those on which the Treasury based its returns, we reproduce the following figures:

	On December 31st.,	
	1907	1909
Number of Co-operative Societies . .	370	461
" Members	62,725	65,789
Subscribed Capital.	frs. 2,244,682	2,208,740
Paid up "	" 1,448,614	1,503,965
Reserve Fund.	" 753,652	1,185,411
Value of Works Carried out	" 22,497,619	29,011,031
Profits.	" 428,010	796,243
Losses	" 151,870	272,172

If we consider the classes of trades, the 461 co-operative societies to which the above table refers, with other seven, for which we have no definite information in regard to their constitution and working, may be divided as follows:

Classes	Number of Societies	Number of Members	Subscribed Capital	Paid up Capital
Engaged in Building and Dependent Occupations (Painters, Decorators etc.)	149	10,694	446,392	299,612
Day Labourers, Navvies, Miners and Peasants.	107	33,471	625,041	432,517
Engaged in Transport and Portage: Carters, Cabmen	41	2,722	178,021	147,513
Engaged in Working Wood and Metals	32	1,147	264,346	152,981
Engaged in Working Stone: Stonecutters, Carvers, Paviers and Roadmakers	39	1,422	87,973	75,681
Engaged in Printing and Book Binding. . . .	15	1,177	349,455	212,973
Various Industries	11	242	19,972	18,877
Mixed Co-operative Work	74	14,914	237,340	165,539
Total for the Kingdom	468	65,789	2,208,740	1,303,965

Further, as we learn from official statistics recently published (1) in the three years 1910-1912, 236 co-operative societies (including 5 consortiums), 155 of them belonging to Central, 57 to Northern and 24 to Southern Italy and the Islands, took part in the competitions or entered into private negotiations opened by the Department of Public Works.

The largest number of societies thus competing was furnished by Emilia (112); then by Venetia (44), Tuscany, (22), Latium (20), Lombardy (13) etc. The provinces in which the numbers were largest were Ravenna (33), Ferrara (26), Rome (20), Bologna (15) etc.

Most of the societies entered for private competition or engaged in private negotiations; only 20 entered for public competition.

Only 33 co-operative societies undertook contracts beyond the limits of their province, and then almost always in adjacent provinces. Exceptions were provided by a consortium of Ravenna, which undertook work at Reggio Calabria and Messina, and two societies and a consortium of Reggio Emilia which shared in contract work at Messina.

In regard to the contracts undertaken in the three years 1910-1912, 179 societies obtained 543 from the Public Works Department, for a total amount of 30,291,401.69 frs., of which 25,552,490.98 frs. were for contracts in the provinces in which the societies had their head quarters and 4,738,910.71 frs. for contracts in other provinces.

The largest numbers of societies awarded contracts belonged to the Provinces of Ferrara (22), Ravenna (17), Rome (15), Padua (12), Reggio Emilia (11), Bologna (9) etc.

(1) See the: *Relazione Statistica sui contratti d'appalto*. Vol. I, 1910-1912, published by the Department of Public Works, General Secretariat, 1914, mentioned among our sources.

The largest numbers of contracts were undertaken by the co-operative societies of Ravenna (92), Ferrara (53), Bologna (46), Padua (38), and Parma (27) etc.

The highest amounts appear for Ravenna (9,962,430.83 frs.), Bologna (1,854,543.80 frs.), Ferrara (2,502,361.80 frs.), Padua (1,899,020.24 frs.), and Regio (1,802,224.88 frs.), Rome (1,384,575.55 frs.), Reggio Emilia (1,277,960.88 frs.), Verona (1,250,273.62 frs.), Venice (992,505.39 frs.) etc.

Of the five consortiums appearing in the total number of associations, the first undertook altogether 14 contracts for the amount of 5,337,616.80 frs. Of these contracts 10 for a total amount of 4,506,316.80 frs. were undertaken by the Federation of the Co-operative Societies of the Province of Ravenna.

The associations of Ravenna and Reggio Emilia also undertook work in Calabria and in Sicily.

Finally, the co-operative societies undertook from 2.11 % of all contracts in the Marche to 58.34 % in Emilia; in the provinces the lowest percentage undertaken by them was in Catania (0.92 %) and the highest in Ferrara (88.95 %). We may also note high percentages in Ravenna (52.00 %), Bologna (76.42 %), Siena (64.76 %), Rovigo (58.61 %) and Padua (54.18 %).

2. MISCELLANEOUS INFORMATION.

LUIGI BUFFOLI. — Luigi Buffoli, President of the Milan Co-operative Society and one of the most characteristic and meritorious members of the Italian co-operative world, died at Milan, on the fifth of October 1911, at the age of 64.

He was born at Chiari, in the province of Brescia, on August 27th, 1850. He completed his studies in the College there, and then went to Turin, where he spent some years in the railway service. In 1879, he was transferred to Milan, his favourite city, to which he remained indissolubly attached until his death.

Buffoli's field of action was essentially that of co-operation and especially distributive co-operation. He began his propaganda in favour of the new form of co-operation in 1878, when he founded the first modest co-operative institutions for the railway employees among whom he spread. To him in fact the first Milanese railway co-operative distributive societies owed their origin. But as these societies, being still uncertain while taking their first steps, were indisposed to accept the system of sale at market prices, with the later distribution of their gains among

the consumers in proportion to their purchases, Buffoli left them in order to found an institution in conformity with the above principles.

He proposed to the Milanese "Civil Servants' Association" the institution of a warehouse to provide its members and the public with articles of clothing. The idea was approved and, on April 15th, 1901, a new Society was formed for the purpose, under the name of the "Co-operative Union", with 13 members and a capital of 1,712 frs. Luigi Buffoli was elected president. The Milan Union has today 15,000 members and a capital of more than 6,000,000 frs., a reserve fund of about 3,000,000 frs. and the business done by it in 1912 amounted to more than 11,000,000 frs.

But Buffoli, and this is one of his most conspicuous merits, would never allow the ideals with which the Co-operative Union started to be stifled by the anxiety for large profits; he desired that its increased strength should serve to promote and carry out useful undertakings for the benefit of all the citizens. And he succeeded. Thanks to his direct intervention there were in fact founded in Milan a large bakery for the purpose of reducing the price of bread, a warehouse for permanent types of cheap wool and at Berlin a branch of the Union was founded for the purpose of making Italian produce known abroad. And in the case of each new undertaking Buffoli had to fight bravely.

Again to meet the requirements of his city, at a time, when the absence of hotels for the poorer classes of the population was a matter of concern, Buffoli started a People's Hotel and a People's Dormitory, two institutions that have aroused admiration in all who have had occasion to visit them.

So also he desired and induced the Co-operative Union to give full support to another institute of thrift, the "*Milanino*": to solve the housing difficulty, aggravated by speculation in land, Buffoli determined to introduce into Italy, an institution he had seen successfully working in Great Britain and in Belgium, and form, beyond the circle of the already exposed to speculation, a garden city. And by his great energy he realised this scheme also.

This unwearied activity in the field of practical action did not prevent Buffoli from ably contributing to the propaganda and the diffusion of the soundest principles of co-operation. He did so both by taking part in the most important national and foreign congresses of co-operative societies and by the publication of pamphlets and articles. Up to 1901 he was also Councillor in the Central Office of the International Co-operative Alliance.

JAPAN.

RURAL BANKS AND LOANS ON HONOUR IN JAPAN

(THE "HÔTOKUSHAS" OR GRATITUDE SOCIETIES) (1).

(Continued).

CHAPTER IV.

THE RESULTS OF THE EXTENSION OF THE HÔTOKUSHAS.

1. THE MORAL AND MATERIAL CONDITION OF JAPAN AT THE BEGINNING OF THE 19th CENTURY.

Japanese historians have drawn for us a gloomy picture of the state of society in their country about the beginning of the 19th century. Habits of luxury, idleness, and debauchery had by degrees spread through the whole feudal society from the highest members of the hierarchy down to the humblest vassals of the daimios. The condition of the people was what might be expected when public morality was such as we have stated: poverty, famine and disease made ravages among the lowest of the population, who, oppressed by the tyranny of the feudal lords, and distressed by hopeless poverty, found it impossible to rise out of their terrible situation.

The mild and consoling message of *hōiohu* came just as the right time, offering the miserable a way of escape, and producing in a short time marvellous results, addressed as it was to a people naturally industrious and honest. The hopes entertained by Sontoku and his disciples from the spread of their moral principles were not deceived; in fact, the results achieved were far beyond their most optimistic expectations.

It may be affirmed without fear of exaggeration that many Japanese provinces have been thoroughly renovated by means of *hōtoku*: the most striking example is the *Ken* (prefecture) of Shidzuoka, which is now the centre of the development of the *hōtokushas*, and which a hundred years ago was one of the most desolate territories of the empire. Much of the practical teaching now diffused by the Government through schools of

(1) See the earlier chapters in the preceding number of this Bulletin, p. 26.

agriculture was then given by the *hōtokushas*, and it is interesting to observe some traces of this in the etymology of certain agricultural terms, such as *hōtoku-ue* or plantation of the *hōtoku* type. This method of planting is now technically called *seijo-ue* (planting in straight lines) and universally adopted in the rice-fields of Japan, was introduced by a man named Ankyōin Shoshichi, an ardent disciple of *hōtoku*, who caused it to be adopted sixty years ago by all the *hōtokushas* then existing. But better than any theory, the following examples, taken from the "*Shiden-oka-hō hōtokusha jiseki gaiyō*", will give the reader a sufficiently clear idea of the beneficent influence of *hōtoku* in some Japanese provinces.

§ 2. SOME INSTANCES FROM HISTORY.

I. — *The hōtokusha of Sugiyama.* — From time immemorial the only industry carried on by the rural population of Sugiyama — a small village hidden in the mountains about a kilomètre from Okiten — was the cultivation of a poisonous plant called *doku-e*, from which a special oil was extracted, used by the peasants for light and for making their clothes water-proof. This oil is known in Japan by the name of *tosuiyu*. About 1870, the more general use of petroleum caused a sudden fall in the price of *tosuiyu* and a corresponding loss to the families engaged in its production. Katabira Nobuaki, mayor of the village, to save the people from destitution, set to work to change the kind of crops cultivated, himself setting the example by planting orange and lemon trees, tea, mulberry trees etc.

Going still further, he granted free loans to the poorest peasant to enable them to carry out these changes. He also employed a portion of his capital in the purchase of nursery plants and seed which he gave gratis to those who were unable to pay for them. This was *hōtoku* practised in its most noble and useful form. But, in 1874, when after many efforts and sacrifices the unfortunate village was rising out of its trouble a new distress came upon it, viz. a fall in the price of tea. Nobuaki himself was seriously affected by this, and having spent all his money, his one idea was to found a mutual aid society on *hōtoku* principles. With the advice and help of Shibata Junsaku, a disciple of Ninomiya, he founded the *Sugiyama Hōtokusha*, which soon became a flourishing society, obtaining marvellous results. To give an idea of the importance of its work, it is sufficient to remark that previous to its constitution the value of the trade in oranges and lemons at Sugiyama did not amount to 250 yen per annum; it has now risen to 17,000 yen for the village of Sugiyama alone, and for the *gun* (district) of Iyowara it amounts to the very considerable figure of 700,000 yen, that is, more than 1,800,000 francs.

Again, in 1890, the *Sugiyama Hōtokusha* bought 85 *cho* (nearly 84 ha. of ground for the collective cultivation of forest trees (firs, cryptomeria etc.) Besides, the Society makes special contracts with those of its mem-

as who are not proprietors of land to enable them to build houses for themselves free of expense.

The present president of the Society, Katahira Kuroemon, son of Nobuaki, has continued the beneficent and philanthropic work of his father. Profoundly convinced of the excellence and nobility of the aims of *hōtoku*, he is a most loyal disciple and a most sincere follower of it. And we must add that it was he who prepared the way for the establishment of special co-operative associations for the sale in common of the agricultural produce of the members. The case of this association without doubt, one of the most striking and characteristic in the history of the *hōtokushas* of Japan.

II. — *The village of Inatori*. — The little village of Inatori in the province of Shizuoka offers another very interesting example. It contains about 700 peasant houses, and the inhabitants, about 5,300 in number, are for the greater part, very poor, if not altogether destitute. Twenty years ago, about 1893, the condition of this village was so deplorable, that, as the local chronicles relate, the inhabitants and communal authorities found it impossible to pay their taxes, nor could they pay teachers; the schools had to be shut. At this period *hōtoku* had reached its full development at Sugiyama (Iyowara), where it had attained the happy results of which we have already spoken, owing to the example and encouragement of Katahira Nobuaki. The mayor of Inatori, Tamura Yokichi, went to Sugiyama to study this interesting phenomenon, with the hope of being able to apply the system in some measure in his own village. Nobuaki instructed him in *hōtoku* principles and the system of mutual aid he had established with such brilliant results.

Returning to Inatori, Yokichi made every effort to follow the example of Nobuaki. He began by re-foresting certain waste lands: in a few years Inatori was enriched with new forests, new meadows and new rice-fields. Yokichi directed that every spring and autumn the school children should go to the wood, and each one plant a young tree furnished by the commune.

Among the institutions which may be regarded as the positive results of the diffusion of the ideas of Ninomiya Sontoku, we must further record the names of the Agricultural Society of Kakegawa, the "Society for the Construction of Dykes" and the various *hōtokushas* of the province of Shizuoka. A few words must be said regarding each.

III. — *The Agricultural Society of Kakegawa*. — This Society was founded in 1878, in pursuance of a proposal made by M. Okada, President of the "Totomi-Kumi Hōtokusha". It first assumed the form of a society limited by shares, with the object of examining and putting in practice all kinds of agricultural improvements, as well as of purchasing land for the establishment of experimental stations. It undertook to supply teachers able to popularise the practical principles of agriculture, and to establish itinerant lectureships; to supply seed for the various crops; to act as a disinterested intermediary between the producer and the con-

sumer; to control the production of cocoons; to organise exhibition-competitions, etc. In 1886 it organised lectures on the veterinary art. Altogether, it may be said that this society has rendered real and inestimable services for the development of agriculture.

IV. — *The Teibo-Kwaisha*. — The "Society for the Construction of Dykes" (*Teibo-Kwaisha*) was the realisation of the ideal constantly cherished by Kanehara Akiyoshi, another of the great benefactors of Japanese agriculture. Having devoted all his intelligence and activity to the regulation of the water supply, he decided in 1878 to found a society with the special aim of encouraging, executing, and ameliorating it, as it is here as in every other country, one of the most important bases on which agriculture rests. Animated by that sentiment of self-devotion, benevolence, and abnegation, which is found in all these oriental apostles, he sold all that he had and devoted the sum (more than 140,000 francs) to the realisation of his dream. With these 140,000 francs the capital of the society was formed and he asked the Government at the same time for an annual subsidy of 25,000 yens (64,500 frs.), which was granted.

Afterwards, the Government assumed the chief direction of the works undertaken by the *Teibo-Kwaisha*, giving it almost an official character.

But, in 1884, owing to some disputes which we need not now recall, the *Teibo-Kwaisha* had to be dissolved. It was decided to refund the money he had contributed to Kanehara Akiyoshi, but, though he accepted it, he did not wish that what he had given for the public benefit should again become his personal property. He therefore devoted himself to the work of re-afforestation, on which he spent between 1887 and 1900 the sum of 32,000 yen (82,500 frs.). He re-afforested nearly 600 hectares of land, planting about three million young trees.

Among those who have won popularity in Japan through their efforts in diffusing the moral and economic principles of Nimomiya Sontoku, we must again mention Ryoichiro Okada, founder, as we have seen, of the Agricultural Society of Kakegawa. He is the father of Okada Ryohai, formerly Under Secretary of Public Instruction, Member of the House of Peers, and now President of the *Dai Nippon Hōtoku-sha* and of the Imperial University of Kioto.

M. Okada was born at Kurama-mura in 1840. His father was the Okada Saheiji who founded the *hōtoku-shas* of the province of Totomi. The younger Okada, philanthropic like his father, in whose footsteps he followed, became in 1877 President of the "*Totomi-Kumi-hōtoku-sha*". He wrote many books and pamphlets, among which may be mentioned here the "*Discourses on Economy in Living*"; "*Discourses of the Great Disciple of Hōtoku*"; "*The Doctrine of Hōtoku*"; "*Accounts of the Journey*"

(1) See Bibliography.

the Second Course of Lectures"; "Our Seven Treasures", etc. In 1875, he founded the *Totomi-Kuni-hōtoku-honsha*, which acted as a federation of all similar societies in the province of Totomi. It should also be observed that the first co-operative society in Japan was the Co-operative Credit Society of Kakegawa, promoted by M. Okada, who was also the leader in all the other associations for the collective sale of manufactured tea, and for the collective purchase of manures and tools required in agriculture etc. (1). It must, however, be acknowledged that all the disciples of Ninomiya Sontoku were equally the precursors of the present great co-operative movement of modern Japan.

CONCLUSION.

The reader who has kindly followed us so far in our account of the principles, the development and the influence of the *hōtokushas* is in a position to form his own conclusions.

If the phenomenon that we have been studying does not yet play a preponderating part in the social economy of Japan, the explanation is to be found in the fact that these associations have had to develop in opposition to the movement of western civilisation. And if we consider that, in spite of everything, and especially in spite of the great progress made by co-operative societies during the last few years, the advance of the *hōtokushas* has not been retarded, we may believe that the utilitarian current of our civilisation has not yet weakened the traditional spirit of honesty, kindness, and purity of the Japanese peasant. Will the resistance continue? and for how long? It is difficult to say. But it is not too much to affirm that this noble spirit of dignity and self-sacrifice, which is the best title to honour in the Japanese character, will continue to exist in spite of the incessant struggle, which unfortunately tends to destroy it. But it must be confessed that the *hōtoku* movement cannot go on without the powerful support and the active sympathy of the country and more especially of the Government. The disappearance and even the decline of the *hōtokushas* would be a melancholy symptom of decadence of the nobility of the Japanese character; it would mean the disappearance of one of the finest examples of human solidarity.

(1) M. R. Okada, in 1901, received the civil medal with the blue ribbon, and, in 1902, the class of the order of the Sacred Treasure was conferred upon him.

APPENDIX.

RULES OF THE CENTRAL SOCIETY OF THE PROVINCE OF TOTOMI.
(TOTOMI-KUNI HOTOKU ENJO-SHA.).

I.

The aims, denomination, duration and seals (1) of the Society.

Art. 1. — This society has been constituted for the purpose of seeking out and rewarding examples of virtue and good conduct, of combating vice and evil customs, redeeming and assisting the poor, and equalising as far as possible, wealth and power, in accordance with the moral principles of the venerated Master Ninomiya Sontoku, and profiting by the sentiments of gratitude which all men should have for every grace, for every benefit received from Heaven, from Nature and from men.

Art. 2. — This society is called *Hōtoku Enjōsha*.

Art. 3. — This society has its head-quarters at Mikawa, prefecture of Shidzuoka.

Art. 4. — The duration of the society is fixed for 180 years, beginning from the month of March of the 50th. year of Meiji (1872) (2). At the end of this period, the Society may continue its existence, in agreement with the decision of the General Meeting of its members.

Art. 5. — The Society will make use of the seals indicated.

Art. 6. — The Society exercises general supervision over all the *bunshas* and over all its dependent societies.

II.

Admission, resignation, rights and duties of members.

Art. 7. — The General Meeting grants admission to membership. Those persons are eligible for membership:

(a) who have for five consecutive years at least been members of one of the subordinate societies, have observed the rules of *hōtoku* and have paid an entrance fee of at least 10 yens,

(b) who have proved themselves worthy through special services rendered to our society. 3

(1) Seals are registered in Japan and have the same legal value as a signature.

(2) The date when the society was actually constituted. It was recognised as having legal existence by Decree of the Minister of the Interior, no. 15 of June 19th, 1901.

Art. 8. — The president of a subordinate society has the right to be a member of the central body, a right which he loses on his resignation.

Art. 9. — Members must conscientiously observe the rules of the society, and must, by their assiduous labour and the regular performance of their duties, set an example to each other and to outsiders.

Art. 10. — The meeting of members may expel a member who shows himself unworthy.

Art. 11. — All members have always a right to consult the books of the association, and to take part in the decisions of the meeting.

III.

Officers.

Art. 12. — There is a General Director and five directors.

Art. 13. — The General Meeting elects the six directors at once; and then the General Director is chosen from among them.

Art. 14. — All the directors hold office for five years; they may be re-elected.

Art. 15. — The General Director is the legal representative of the society, and manages its business.

Art. 16. — The directors assist the General Director in the administration of the society, and, when necessary, act for him. The substitute for the General Director must have a long and full experience of the affairs of the society.

Art. 17. — When the number of officers is insufficient, supplementary elections may be held.

Art. 18. — The officers receive no remuneration.

IV.

Operations.

Art. 19. — The Society directly controls its various sections and branches by means of visits, inspections, enquiries, etc. and in this way makes sure that the rules of the Master are always observed.

Art. 20. — The Society reserves to itself the right of proposing for general imitation any of those members of the branches who have shown themselves worthy by exemplary conduct and constant virtuous action.

Art. 21. — The Society will receive requests for help from any branch suffering from misfortune or disaster.

Art. 22. — It shall make no difference in the action of the Society whether the misfortune has arisen within or without the limits of the association making the application, but it shall endeavour to succour, as far as possible, the district or society suffering by any extraordinary accident.

Art. 23. — When at least five dependent societies unitedly express the desire of being constituted a principal branch (*bansha*), the central body reserves to itself the right of establishing it as such conformably with the general rules.

V.

Capital.

Art. 24. — In conformity with the rules, the association divides its capital under four heads: — donations (*zenshukin*); principal fund (*dotaikin*); gratitude fund (*genjokin*); supplementary revenue (*kanyukin*).

Art. 25. — The donations (*zenshukin*) consist of the money granted by the Master and then distributed by the *hôtokusha* of Odawara, (Sagami) forming, consequently, a sacred sum, which is expended in loans granted according to the regulations, to the dependant societies, without interest.

Art. 26. — The *dotaikin* (principal fund) is a sum set apart for the purpose of giving the necessary security to the economic basis of the society: it is divided into three categories according to the sources from which it is derived:

(a) sums granted for this purpose by the Master;

(b) sums given by private benefactors (*kizôkin*);

(c) sums deducted from the *genjokin* and added to the principal funds by order of the members' meeting.

Art. 27. — The gratitude fund (*genjokin*) is formed from sums the society receives from other associations for benevolent objects.

Art. 28. — The supplementary revenue (*kanyukin*) is formed from sums offered by members to be drawn upon in case of necessity according to the regulations of *hôtoku*.

At the request of a member who has made a donation, the money may be returned to him at the end of the year, but only in the form of an ordinary loan.

Art. 29. — The capital of the society is annually lent and annually repaid: this is the purpose it is intended to serve. The balance is carried forward to the following year. If the capital should exceed the amount of the loans, the surplus must be lent in loans without interest.

IV.

Accounts.

Art. 30. — Every October, the Society grants out of its capital loan without interest to its dependant societies.

Art. 31. — The financial year begins on the 1st. October, and close on the 30th. September of the following year.

Art. 32. — Every year, in the month of October, the Society will take stock of the different kinds of capital it possesses, and of the loans granted to other societies.

(1) The reader may observe that these definitions vary from those already given. The differences, as we have already said more than once in the course of this article, are due to different interpretations of the Regulations which, on this point, are neither clear nor absolute.

Art. 33. — Loans are not always granted without interest ; some bear interest and may be repaid by means of annual instalments. These loans are generally made for five years, but this limit is not absolutely fixed.

Art. 34. — Whoever obtains a loan redeemable in yearly instalments must, when it is paid off, offer an annuity to the *genjokin* (gratitude fund). This offering can never be restored to the donor.

Art. 35. — The surplus will be deposited in the bank for a period not exceeding a year. The interest on these deposits will be utilised to meet the general expenses of the society.

Art. 36. — The Society may, with the consent of the General Meeting and when opportunity offers, grant special loans in cases of need.

Art. 37. — The Society may also, with the permission of the General Meeting, reserve a part of its capital to meet eventualities.

VII.

Books of the Society.

Art. 38. — The society must have the following books :

- 1st. Book of benevolence (1).
- 2nd. Day-book.
- 3rd. Stock book.
- 4th. Register of members.

In the first are entered all the benefits of the three powers (Heaven, earth, and man) for which gratitude is due, as well as the revenue and expenditure.

VIII.

Meetings.

Art. 39. — There are three kinds of Meetings : ordinary general meetings at fixed periods ; extraordinary general meetings, and officers' meetings. The first are held very year in October, the second whenever it is considered necessary. Notice is given of the general and extraordinary meetings by the General Director himself.

Art. 40. — The ordinary general meetings must decide in regard to :

- (a) the transactions spoken of in chapter IV of the present Rules ;
- (b) the accounts of the current year ;
- (c) the estimate for the following year ;
- (d) questions of general order entered on the agenda.

Art. 41. — The decisions of the meeting are not valid unless at least half the members are present. If a quorum is not formed, a new meeting is called, the proceedings of which are valid whatever be the number of those present.

⁽¹⁾ Of the titles of the two first books we have been obliged to give a very free translation considering the subjects of which they treat. The original titles may interest the curious :

1st. *Saizai hitoku genryūkei* (Mirror of the present state of gratitude to the three powers).
2nd. three powers are heaven, earth, and man.

3rd. *Shūho sōkō torishirabe* (Concise supervision of the sums of the Rule).

Art. 42. — The General Director presides at the General Meeting. Should he be absent, one of the directors takes his place.

Art. 43. — The decisions of the Meeting are taken in accordance with a majority of votes. The president has the casting vote.

IX.

Dissolution of the Society.

Art. 44. — On the dissolution of the Society, whether because the period mentioned in Art. 4 of the present Rules has expired, or by mutual consent of the members, all the money lent must be returned, and the *kanyukin* (supplementary revenue) sent back to the donors. The *shukin* is also returned. Other sums are returned in proportion to the amounts paid.

Of whatever kind the donation may be, the directors must agree with the liquidators on the amount at which it must be calculated when the donor is not especially indicated.

Art. 45. — The Society shall be dissolved when the number of members falls below five.

Situation of the Central Society.

Name of the Society	Number of Dependent Societies	Principal Fund	Donations	Gratitude Money	Supplementary Revenue
		yens	yens	yens	yens
Central Society	1	4,253.50	188.00	510.00	5
1st. branch	17	9,475.60	904.00	18,525.38	22
2nd. "	19	7,801.20	3,278.00	6,493.55	22
3rd. "	20	6,270.84	904.30	7,795.30	12
4th. "	7	872.00	531.00	3,614.18	5
5th. "	18	4,527.36	1,539.00	5,256.60	14

STATEMENT OF THE SITUATION OF THE CENTRAL SOCIETY
OF THE PROVINCE OF MIKAWA.

(MIKAWA-KUNI HÔTOKUSHA).

(January 1st., 1913).

The total number of societies dependent on this Central Society on January 1st., 1913 was twenty one. The following table shows their general situation at that date:

Principal Fund	yens	—
Donations	"	605.00
Gratitude Money	"	10,095.83
Supplementary Revenue	"	13,392.69
Total	yens	14,153.52

STATEMENT OF THE SITUATION OF THE CENTRAL SOCIETY
OF THE PROVINCE OF TOTOMI.
(January 1st., 1913).

(TOTOMI-KUNI HOTOKU ENJOSHU).

This Society has jurisdiction over five branches (*hanshas*) on which depend 81 societies (*sha*), as shown in the following table:

Central Society <i>Hōtoku Enjoshu</i>	{	1st. branch	— 17	dependent societies.
		2nd. "	— 19	" "
		3rd. "	— 20	" "
		4th. "	— 7	" "
		5th. "	— 18	" "

The total number of societies in the province of Totomi (including the Central Society) is therefore 82.

Of these 82 societies the economic situation on January 1st., 1913 is given in the following tables:

Province of Totomi.

	Total	Balance of Loans	Loans Granted in 1912	Number of Members	Profits for 1912	Gratitude Money Received from the Branches
	yens	yens	yens		yens	yens
100	5,791.50	4,656.90	487.40	30	80.00	135.00
200	42,105.40	6,356.18	1,556.64	700	2,887.64	1,110.40
300	40,211.89	32,337.80	11,228.33	613	1,950.13	2,183.00
400	29,884.56	24,302.32	8,802.41	635	2,109.75	1,133.00
500	11,476.13	6,634.10	2,812.95	189	602.41	557.00
600	33,518.76	17,476.15	6,495.47	514	2,087.40	1,310.00

Gratitude Money given by Societies Dependent

on the Central Society	yens	922,850
Other Funds	"	11,726,045
Total	yens	26,802,420

Balance of Loans on January 1st., 1913	yens	17,227,249
Loans Granted in 1912	"	4,047,900
Number of Members		526

SUMMARY OF REPORTS ON THE WORK OF THE DAI NIPPON HÔTOKUSHA AND ITS BRANCHES.

The *Dai Nippon Hôtokusha* is the most important Central Society of all Japan, and in connection with it *hôtoku* principles have made the greatest progress. It may be useful to give some precise details as to its work and the methods by which it attains its objects. We shall give here a summary of the reports published by the society itself, omitting only those details which are not strictly relevant to our subject.

WORKING OF THE CENTRAL SOCIETY

I. *Ordinary Meetings.*

During this period (1912) the *Dai Nippon Hôtokusha* held 93 ordinary meetings at which both members and non-members had a right to be present. The total number of individuals who attended these meetings was 11,629, making an average of 119 at each session.

II. *Survey of the Work of the Association.*

(a) *Supervision of sections and branches.*

1st. *Meeting of directors of dependent hôtokushas.*

At this meeting the following questions were discussed :

The means to be taken to encourage the attendance at lectures on the *hôtokushas* given during the summer ;

The means to be taken to encourage the foundation of new societies and to increase the number of members ;

Questions regarding the employment of the capital of the associations ;

Questions regarding the means to be taken to increase practical co-operation among members ;

Discussions relating to plans for enterprises of general utility to be carried out in the province by the societies on their own initiative ;

Means of improving and extending popular education ;

Questions relating to the powers of the syndicates of *hôtokushas*.

2nd. *Tours of Inspection.*

For the purpose of insuring perfect supervision over the affairs of the different sections, the Central Society has established a service of

section by special officials who travel at its expense and, in the course of their journeys, give readings and lectures. During the year 1912, the *Nippon Hōtokusha* employed twelve of these officials, who each gave lectures varying in number from one to seven, according to the localities in which they took place.

3rd. *Federations of Hōtokushas.*

In the course of the regular meetings of the *hōtokushas*, which are held in spring and autumn, it was considered desirable to institute federations of *hōtokushas* and, at the same time, a special envoy of the Central Society gave lectures with a view to popularising the new institution.

4th. *Special donations for the principal fund (dotaikin) of the branches.*

The new branches receive, together with the notice of approval of their rules, a sum to be added to their capital. During the year 1912, 11 sections of the new type were formed receiving from the Government total sum of 29 yens (11). Three branches received 2 yens each, one, 3 yens; four, 4 yens; one, 6; and another 8 yens.

(b) *Business Directly Transacted by the Central Society.*

1st. *Loans Granted to Branch Societies.*

According to the official declarations of the directors, the Central Society accorded the following loans to its branches:

It must be observed that this Governmental contribution is only to be regarded as a financial support afforded to the Japanese peasant, with whom, as with the rest of his nation, respect for authority reaches a height absolutely unknown to us. Otherwise, such a contribution would have the character of a trifling alms, to which no importance could be attached.

Loans		Object of Loan	Form of Repayment and Interest (1)	
yens	410.00	Improvement of Roads.	7 %	Payable after 2 years in a lump sum.
"	500.00	Clearing of Land and Payment of Outstanding Debts.	7 %	Payable in annual instalments in ten years.
"	500.00	Do. Do.	do.	do.
"	2,000.00	Payment of Debts Due by Members.	do.	do.
"	200.00	Do. Do.	do.	do.
"	500.00	Assistance to Members.	6 %	do.
"	100.00	Do. Do.	do.	do.
"	1,200.00	Construction of a Dyke.	7 %	do.
"	500.00	Building of a Hall for Public Meetings.	do.	do.
"	700.00	Collective Purchase of a Forest.	do.	do.
"	350.00	Advances to some Members for Household Expenses.	do.	do.
"	4,500.00	Purchase of Land for Members.	do.	do.
"	1,250.00	Repairs of Damage Caused by Inundations.	do.	do.
"	200.00	Assistance to Members.	5 1/2 %	do.
"	2,000.00	For Ceremonies Commemorative of the Death of the Emperor.	7 %	do.
"	500.00	Collective Purchase of Manure.	do.	Payable in a lump sum.
Total yens 15,110.00				

(1) It must be observed that interest at the rate of 7 %, which with us would be enormous, especially if the benevolent character of the society making the loan be taken into consideration, is quite usual in Japan, where the rate of interest on loans granted by co-operative societies in 1910 was on an average 12 %.

2nd. *Special loans.*

The total amount of the special loans granted by the Central Society to those of its dependent bodies which have for three years at least belonged to the association (art. 15 of the Rules of the Central Society) in the year 1912 was 23,030 yens 19.

Propaganda.

Some of the members of the Central Society have formed an Association of the Friends of *Hôtoku* (*Dai Nippon Hôtokugaku-yu Kawai*), which publishes a special Bulletin, entitled *Dai Nippon Hôtokugaku-yu Kawai-hô*. The Bulletin examines and discusses all questions connected with the development of *Hôtoku*. Contributions are accepted. The Bulletin appears on the 23rd. of each month, and each number costs 7 sen (18 centimes). The annual subscription is 70 sen (1 fr. 80). Advertisements are paid for at the rate of 10 sen per line (0. fr. 25); one yen and a half for half a page (3 fr. 87), two and a half for a whole page: 20 % reduction on these prices is allowed to members. This little publication plays a very important part in the work of the associations in diffusing the ideas and the moral principles of Sontoku Ninomiya. It has numerous readers and subscribers, and its publication was approved by a Decree of the Department of the Interior on February 29th., 1904.

III. *Variations in the Numbers of Members and Associations.*

The variations in the numbers of members in 1912 are shown below:

	In the Preceding Year	New Admissions	Resignations	Balance
Members of the Central Society.	1,468	98	20	1,546
Members of the Branches . . .	19,044	830	174	19,700
Non-Members Adhering . . .	47	2	1	48
Total . . .	20,559	930	195	21,294

The variations in the numbers of the associations during the same period were as under;

	Societies Already Working	New Societies	Societies Dissolved	Balance
Central Society	1	—	—	1
Branches	543	10	1	552
Total . . .	544	10	1	553

IV. *Capital.*

The following figures show the variations in the capital of the Central Society during the year 1911-12:

Title of Fund	At End of the Preceding Year (yens)	Increase during Year 1911-12 (yens)	Decrease during Year 1911-12 (yens)	Balance (yens)
Special Funds	937.500	418.075	—	1,355.575
Principal Fund (<i>dotaikin</i>) . .	6,561.731	1,032.177	—	7,593.908
Donation from the Okada Family (to the <i>zenshukin</i>)(1)	14,044.491	1,213.963	—	15,258.454
Bonds	158,619.682	13,445.045	—	172,064.727
Donations	3,622.179	42.933	—	3,665.112
Collective Funds	8,310.545	315.488	—	8,626.033
Thrift Fund for Children . .	1,821.541	39.612	—	1,861.153
<i>Kanyukin</i>	1,006.427	30.613	—	1,037.040
Interest	117.299	—	78.844	38.455
Collections at Meetings . .	762.481	11.124	—	773.605
Funds for Temple of To- shogu	300.000	—	—	300.000
<i>Kanyukin</i> from the Enjoshu .	80.000	—	—	80.000
Other Funds	11.959	0.478	—	12.437
Total . . .	196,195.835	16,549.508	78.844	212,666.499

(1) This sum of 14,044 yens was a donation made by M. Saheiji Okada, founder of the Ten-mi-Kuni Hon-shu, and grandfather of M. R. Okada, present director of the Dai-Nippon Hōtōkusha. From the 7th. year of Kaei (1855), M. S. Okada resolved to give every year for a period of 60 years in donations a sum equal in value to 50 sacks of rice. Since 1887, this sum has been paid to the Dai-Nippon Hōtōkusha and placed under the head of special donations. This sum $\frac{3}{10}$ ths. of the interest at 6% is added to the principal fund, and $\frac{7}{10}$ ths. to the capital of the society. When the sum amounts to 100,000 yens, the Society must pay the descendant of M. S. Okada $\frac{1}{10}$ th. of the interest as *zompōkin* (gratitude money). On no account must the sums be repaid or transferred to other individuals.

This capital has been invested largely in Government stock or shares in various companies; the balance has been lent either at interest or used to defray various expenses.

We give a complete list of these investments, showing thus the position of the society on January 1st., 1913 :

Government Stock	yen	15,823,070
Chinese Railway Bonds	"	1,950,000
Notes in the Industrial Bank of Japan	"	8,710,000
» Mortgage Bank of Japan	"	105,000
» <i>Shisan Ginko</i>	"	45,757,000
» Bank of Kakegawa	"	5,009,667
» Agricultural Bank of Shidzuoka	"	4,138,000
» Navigation Society of Japan	"	5,211,000
» Milling	"	5,676,800
» 15th. Bank	"	34,335,000
» Navigation Company of Coal and other Mines of Hokkaido	"	200,000
» Eastern Colonisation Company	"	112,500
Money taken from the <i>Genjōkin</i> and Lent under condition of Repayment in Annual Instalments	"	970,000
Money Lent at Interest	"	52,325,289
Special Loans	"	23,030,190
Deposits in the Postal Savings Bank	"	1,014,610
Guarantee for Transfer of Savings	"	20,000
Deposits for Limited Periods	"	3,000,000
in Current Accounts	"	4,138,279
Contribution without interest to the <i>Hōtoku Enjōsha</i> (1)	"	100,000
Various Contributions	"	150,000
For Portraits of the Master	"	219,100
For Publications on <i>Hōtoku</i>	"	436,063
By the Society of Friends of <i>Hōtoku</i>	"	191,618
Travelling Expenses	"	3,400
Balance from Previous Year	"	39,973

Total . . . yen 212,666,499

The loans granted by the Society in 1912 were as follows:

Balance on January 1st., 1912	Loans Granted in 1912	Repaid in Course of 1912	Balance on January 1st., 1913	Observations
4134,000	—	3,164,000	970,000	Loans with <i>genjō-kin</i> Obligation.
2075,417	15,220,000	6,870,128	52,325,289	Loans with Interest.
4119,840	14,620,000	2,709,650	23,030,190	Special Loans.
9229,257	29,840,000	12,743,778	76,325,479	Total.

(1) Which the H. E. S. shows in its *Kanyūkin* (Supplementary Revenue).

RUSSIA.

FEDERATIONS OF CO-OPERATIVE CREDIT SOCIETIES IN RUSSIA IN 1913.

SOURCES :

- Союзы учреждений мелкого кредита въ Россіи (*Federations of Small-Credit Institutions in Russia*). Article in the number of the Вѣстникъ мелкаго кредита (*Small Credit Review*), for June 27th., 1914 on the Results obtained by means of an Enquiry into the matter of Small Credit, made by the Co-operation Department at the Russian National Exhibition held at Kiev in 1913.
- Современное положеніе союзовъ мелкаго кредита (*Present State of Federations of Small Credit Co-operative Societies*). Article in No. 1 (January, 1914) of the Вѣстникъ кооперацин (*Review of Co-operation*), on the Results of an Inquiry made by the Petrograd Branch of the Committee for Rural Savings-Banks and Economic Associations.
- Примѣрные уставы союзовъ учреждений мелкаго кредита, а также нормативныхъ устройствъ (*Model Rules for Federations of Small Credit Institutions and Rules for their Organisation*). Issued by the Committee for Rural Savings Banks and Economic Associations. Petrograd, 1911.
- Сельскохозяйственный кредитъ въ Россіи (*Rural Credit in Russia*). Edited by the General Management of Agriculture, and Agricultural Organisation, Petrograd, 1910.
- Толотіианцъ (В. Ф.): Сельскохозяйственная кооперація. (*Tolotianits, W. F. Rural Co-operation*). Petrograd, Semionow, 1908.
- Толотіианцъ (В. Ф.): Кооперація въ русской деревнѣ (*Co-operation in Russian Districts of Russia*) Moscow, Sabaschukow, 1912.
- Обзоръ русскаго и иностраннаго законодательства о кооперативныхъ товариществахъ (*Sketch of Russian and Foreign Legislation on Co-operative Societies*). Published by the Department of Commerce and Industry. Petrograd, 1906.

In one of the recent numbers of our Bulletin (1) we had occasion to point out the extraordinary and rapid development of co-operative credit societies in Russia. Scarcely ten years ago (in 1904), there were only 378; now, in 1914, the total number of institutions of this kind is, in round numbers (2), 14,000.

Under such conditions it is the more remarkable that while the progress of isolated co-operative societies has been so rapid, that of the federations of these same associations has been equally slow and difficult.

(1) See Bulletin of August, 1914, p. 46.

(2) These figures as well as all others in this article refer only to Russia proper, excluding the Grand Duchy of Finland.

the 1st. of January of the current year there were in Russia only 12 federations of co-operative credit societies (1) and in these twelve federations only about 500 co-operative societies altogether, that is, about 3.5 % of the total number.

The chief reason for this anomaly is incontestably to be found in the legislative enactments regarding this kind of association which were in force till about three years ago. The law, in fact, refused the federations of co-operative credit societies the right of accepting deposits, or of borrowing or granting loans, thus, to a large extent, of course, depriving them of the reason for their existence. Finding it impossible to obtain help from the federations, which were themselves without income or capital, the separate co-operative societies avoided affiliation to associations from which no important advantage could be obtained.

It was not till 1911 that a radical change was introduced in this respect. The new model rules, approved in the month of May of that year by the Council of Ministers, at last authorised the federations of co-operative credit societies to borrow money, to receive deposits, and to grant loans to co-operative societies affiliated to them (2).

The results of this wise measure were immediately apparent. An idea of them may be formed from an examination of the table given below, which shows the total business done by three of the chief federations, viz. those of Berdiansk, Melitopol, and Kiev, before and after the reform of the rules (3):

Years	Total Business done by the Federations of		
	Berdiansk	Melitopol	Kiev
	(in Roubles)	(in Roubles)	(in Roubles)
1913	643.40	450.00	—
1914	796.25	6,237.51	—
1915	1,896.77	16,499.95	—
1916	874.95	18,535.00	—
1917	8,233.13	16,626.11	2,367.00
1918	7,802.88	10,470.92	5,050.12
1919	8,063.49	13,777.40	10,526.75
1920	9,315.34	14,356.66	13,032.26
1921	56,013.32	68,501.55	234,088.18
1922	143,535.73	245,516.63	1,195,150.23

(1) During the first half of the current year a thirteenth federation was formed.

(2) See "Примерные Уставы..." chap. V. (Вклады и Займы) and VI (Ссуды).

(3) In July these three federations were authorised to transact business in accordance with the new rules.

In other words, the reform of the rules has led to an immediate increase of business, that of the Federation of Berdiansk being thirteen times greater; that of Melitopol, seventeen times greater, and that of Kiev (1), *ninety-two* times greater than before.

Given these results it would seem that the reform of the legislation respecting federations of co-operative credit societies ought to have led to a sudden and considerable increase in their number. But up to the present time nothing of the kind has taken place. During the three years that have passed since the reform, at most three new federations have been constituted.

This is in a great measure due to the slowness of the administrative procedure.

In Russia, every association, the rules of which have not been duly examined and approved by the competent authorities, is considered illegal, and consequently without civil personality. Now as regards co-operative credit societies—and consequently their federations,—the competent authority was no less important a body than the Council of Ministers of the Empire, and before the rules presented for approbation could reach it, they had to pass through a whole series of intermediate offices, a process which sometimes required years, as will be seen from the table given below, which shows the duration of the preparatory administrative procedure for the twelve Federations in existence on the 1st. of January in various years:

Number according to Date of Foundation	Federations	Date of		
		First Presentation of the Rules	Approbation of the Rules	Commencing Operation
1	Berdiansk	1901	1901	1902
2	Melitopol	—	1903	1903
3	Kiev	—	1907	1907
4	Blagodarnoje	1906	1907	1907
5	Yekaterinburg	1905	1907	1907
6	Kuban	1906	1911	1912
7	Nizhni-Novgorod	1908	1911	1913
8	Zlato-ust	1907	1911	1912
9	Vekaterinoslav	1908	1911	1912
10	Terek	1908	1911	1913
11	Plock	—	—	1913
12	Loschwitz	—	—	1913

(1) The business done in 1910 and 1912 is here compared but not that done in 1911 which can not be taken into consideration, as the reform only came into force in the middle of the year.

Such slowness naturally hampered the formation of federations, and discouraged the promoters. For instance, the Federation of Kuban had twenty-two societies affiliated to it at the time when its rules were presented to the court of first instance. When, *six years later*, that is in 1911, the necessary sanction came from Petrograd, there were only three societies to form the new federation. The thirteen others had either limited themselves to federations already authorized or had lost all desire to federate.

Considerable progress was made in the matter in 1911, at the same time as the rules were reformed as above stated. In fact, the Council of Ministers officially authorized four different forms of model rules. It was then decided that in future the rules of new federations might be approved by the *local* authorities if in conformity with any one of these forms of model rules or with those of Federations already existing and authorized. Since then, the Council of Ministers itself only examines new rules which essentially differ from those authorized.

This is incontestably a very important facilitation. But, even simplified in this way, the administrative procedure is too complicated and too slow. This is eloquently proved by the preceding table and even more by the fact that on the 1st. of January of this year, seventeen new federations were still awaiting the authorization of their rules before they could begin operations and even, at the moment of our writing, seven months later, only one has had its application granted.

We may add that these delays extend even to the authorization of the simple reform of the old rules. For instance, the federations of Blagovojensk and Yekaterinburg, the rules of which were authorized before the reform of 1911 and which had no permission, in consequence, to contract loans, have not yet succeeded in obtaining authority to amend their rules in conformity with the reformed system, though they have been awaiting this for years.

Happily a further simplification, or still better, a radical reform of the administrative procedure in connection with the laws on co-operative societies is now being considered. The Government, on the one hand, and the co-operative societies, themselves, on the other, are studying the means for arriving at a satisfactory solution. The day is not far off when Russian legislation will allow the federations of co-operative societies to develop as extensively as we have shown the isolated co-operative societies do.

We have seen that the twelve above mentioned federations include but a very few of the co-operative credit societies of the whole of Russia. With regard to this we may add, that, in consequence of the circumstances we have just mentioned, immense regions of their Empire do not yet possess any federated organisation of their numerous local co-operative societies. So, leaving these aside and considering only those districts in which the principles of federation are firmly rooted, we obtain infinitely more satisfactory results, as shown by the following table :

Order of Foundation See Table 2.	Name of Federation	Date of Beginning Work	Number of Affiliated Co-operative Societies		Total Number of Co-op- erative Societies within the Field of the Federation	Percentage of Co-op- erative Societies Federated per District	Total No. of Co-op- erative Societies in the District
			at the Time of Begin- ning Work	January 1st., 1913	June 1st., 1913		
4	Blagodarnoje	1907	9	24	24	(1) 51	(1) 47.95
3	Kiev	1907	4	68	91	252	36.12
10	Terek	1913	33	33	33	94	35.16
6	Kuban	1912	9	50	82	246	33.3
7	Nizhnii-Novgorod	1913	13	13	61	196	31.12
2	Melitopol	1913	5	26	26	150	17.38
9	Yekaterinoslav	1912	13	27	40	233	17.17
5	Yekaterinburg	1907	16	55	58	374	15.50
1	Berdiansk	1902	4	20	23	150	15.33
8	Zlato-Ust	1912	7	11	12	—	—
11	Flock	—	—	—	—	—	—
12	Loschwitz	—	—	—	—	—	—

(1) The figures in this table are those obtained by means of the Petrograd inquiry (the "sources" at the beginning of this article), the more recent of the two inquiries. It must be observed, however, that, as regards the total number of co-operative societies belonging to the spheres of different federations and, consequently, also as regards the percentage of federated co-operative societies in each sphere, there is considerable divergence between the results of the two inquiries. Thus, for the spheres of action of the Federations of Berdiansk and Melitopol, the Kiev inquiry gave 30 and 31 adherent co-operative societies, which make the proportion of federated societies in these two spheres 76.6 % and 83.8 %.

We cannot explain these differences; we merely point them out, adding that, as regards the other federations, the difference between the results of the two inquiries is considerably less.

As we see, in general, the federations begin with but a few affiliated co-operative societies, but the number increases very rapidly.

With regard to the field of action (district) of the federations, it may be remarked that hitherto there is only one, that of Nizhnii-Novgorod (the work of which extends over an entire province, and even beyond in two districts of the neighbouring province of Kostroma). The others have a smaller field of action, one or more districts in the province in which the federation is situated or in an adjoining province.

In consequence of the difficulties incident to the formation of these federations, there is a marked tendency to extend the sphere of those already existing considerably. Thus, instead of taking the slow and trouble-

the steps necessary for the establishment of federations of their own. Co-operative credit societies of the provinces of Poltava, Podolia, and Chernigov, bordering on the province of Kiev, in preference, affiliate themselves to the great Federation of that province.

In general, in any given district, those co-operative societies which affiliate themselves to federations, are the richest. To convince ourselves of this, it will be sufficient to examine the following table:

Sphere of the Federation	Average Business Done by all the Co-operative Societies coming within this Sphere	Average Business Done by the Societies Federated
Katerynoslav	32,649 roubles	47,593 roubles
Chernigov	53,920 "	106,638 "
Podolsk	99,967 "	126,857 "
Melitopol	99,967 "	214,618 "
Kuban	63,152 "	61,282 "

To illustrate the situation more fully, another example may be given. While the affiliated societies of the Federation of Melitopol represent only 7.33 % of the whole number, the total business done by these societies exceeds 34 % of that done by all the societies of the district. The same thing is seen in the Federation of Kiev. Here the number of affiliated societies is little more than one-third of the whole; while the total business done by these societies is more than half (55 %) of that done by all the co-operative societies of the same district.

This marked tendency of the richest co-operative societies to federate partly explains the reason of the proportionately large contributions paid to the federations by their adherent societies. The amount of these contributions is shown in the table given below:

	Berdiansk	Yekaterinburg	Kuban	Melitopol	Kiev	Yekaterinoslav	Terek	Nizhni-Novgorod
Entrance Fee (in roubles) .	100	100	50	100	50	0.20	0.10	25
Annual Contribution per Member of an Adherent Society (in roubles) . . .	0.50	—	1	1	1	per member of an adherent society	—	—

As the spread of federation among the co-operative credit societies in Russia has been so limited, and above all as the work of the federations is so restricted, these contributions seem to the poor societies too high in comparison with the advantages offered.

If now we arrange the federations of co-operative societies according to the total business done by them as shown on January 1st., 1913, beginning with the smallest amount, we get the following table :

Federation of	Blagodarnoje	68,898	roubles
"	" Zlato-ust	76,576	"
"	" Yekaterinoslav	79,446	"
"	" Terek	82,945	"
"	" Berdiansk	143,535	"
"	" Yekaterinburg	213,034	"
"	" Melitopol	245,516	"
"	" Kuban	286,334	"
"	" Kiev	1,195,150	"

The following table shows the amount of the deposits :

Federations	Amount of Deposits	
	in roubles	Percentage of Business Done
Yekaterinoslav	6,854	8.6
Kuban	72,106	25.2
Yekaterinburg	87,738	41.1
Melitopol	119,014	48.1
Berdiansk	89,362	62.2
Kiev	866,241	72.4

It is not the affiliated co-operative societies which deposit most extensively with the federations, but rather private individuals and various institutions, public or private. In the Federation of Kiev, for example, the deposits of affiliated societies only amount to 7 % of the entire deposits, in that of Kuban, to 6 %, in that of Berdiansk to 5 % etc. The number and value of the various deposits as given below, have been ascertained by means of the enquiry made by the Co-operation Department of the National Exhibition of Kiev :

The Federations, while paying very high interest for the capital at their disposal, were obliged then to ask a similar rate on the loans they made to their clients. The table below gives the statistics on this subject collected by the inquiry :

	Berdiansk	Yekaterinburg	Kuban	Melitopol	Kiev	Yekaterinoslav	1913
Short Term Loans	7 %	6-10 %	8 %	7.5 %	7 %	8 %	9.5
Current Accounts	—	6-10	8	—	7.5	—	—
Long Term Loans	—	6-10	—	—	—	—	—

The conditions being such, the adherent co-operative societies easily obtain loans on better terms than can be offered them by the Federations, whilst the latter do not play the important part they should as furnishers of capital to the co-operative societies, which would considerably contribute to the practical progress of the federal idea. In fact, if we arrange the different federations according to the value of the loans granted by them to the affiliated societies in proportion to the total amount of the sums borrowed by these same societies, we obtain the following results (position on January 1st, 1913) :

Federation of	Loans made to Co-operative Societies	Total Business Done by the Affiliated Co-operative Societies	Total Amount of Loans Contracted by Affiliated Co-operative Societies	Loans Granted by the Federations shown as Percentages	
	(in roubles)	(in roubles)		Business Done	Loans Contracted
Melitopol	157,706	5,580,083	1,668,334	2.8	9.5
Yekaterinoslav	79,500	1,282,587	670,931	5.9	11.4
Berdiansk	80,200	2,917,726	644,873	2.8	12.5
Jekaterinburg	145,274	3,106,386	561,960	4.7	25.8
Kuban	250,317	4,397,796	1,002,539	5.7	25.0
Kiev	947,956	7,251,392	1,937,692	13.0	48.0

In other words, in consequence of the hard conditions which the federations are obliged to impose, the sums borrowed by co-operative societies from them represent a proportionately small part of all the sums they borrow. The federation of Kiev alone finds itself in a position to meet about half the amount of the requirements of the affiliated societies.

The fault does not lie with the federations, which desire nothing better than to open their banks far more extensively, but the fact is that they cannot lend cheaply enough. To assure ourselves of this it is only necessary to compare these figures with those that follow, showing the amounts of the credits opened by the federations for their affiliated co-operative societies, credits which are far in excess of the sums actually borrowed by the co-operative societies in question :

	Nizhni Novgorod	Berdiansk	Kuban	Melitopol	Kiev	Yekaterinoslav	Total
all Credit at the Disposal of the Affiliated Co-op- erative Societies	910,250	332,000	1,740,000	294,000	2,800,000	606,000	412,000
Maximum of Loans	—	2,000	10,000	3,000	5,000	8,000	3,000
Minimum of Loans	—	35,000	100,000	30,000	100,000	50,000	53,000

Finally, the greater part of the sums borrowed by the co-operative societies from the federations are short term loans. In the Federation of Kiev, for example, which is the most favourably circumstanced in this respect, the long term loans represent only 34 % of the total amount.

The financial business of these federations fortunately will only be temporarily so limited. That it is not larger is due chiefly to the restrictions the earlier law imposed on the work of the federations. The importance of the reform of the rules in 1911 is now beginning to be perceived, and the figures which we have given when compared with those for the preceding years, show a progress which justifies the brightest hopes for the not distant future.

A characteristic feature of these federations is that they all try to act as intermediaries in the purchase and sale of agricultural implements and produce. This is perhaps the most meritorious part of their work, for their object is in this way to combat the efforts of industrial and commercial trusts, which take unlimited advantage of the ignorance and credulity of the peasantry. Therefore, this action of the federations has been most warmly welcomed both by the peasants and by the local co-operative societies. Of this, the best proof is that, though only begun lately, such transactions already represent 31 % of the whole of the business done by all the federations. Here again, the Federation of Kiev occupies the first place. Then come those of Yekaterinburg, Berdiansk, Melitopol, and Kuban. In regard to the others we have no information.

In regard to purchase transactions, those for purchase of agricultural machinery and implements are the most important, representing more

than half the total purchase and sale business. Next in importance come those for building materials, seeds and chemical manures.

The business of sale of the produce of co-operative societies by the Federations has been too recently commenced and is as yet too unimportant for us to devote much time to it. We shall confine ourselves to saying that in the Federation of Yekaterinburg, in which the transactions of this kind are most extensive, they only amounted to a total of about 55,000 roubles for the year 1912.

The following table, giving in roubles the total amount of purchase and sale transactions, will serve to show the situation:

	Berdiansk	Yekaterinburg	Kuban	Melitopol	Kiev	Total
Agricultural Machinery	116,459	61,270	1,495	63,640	93,877	336,661
Chemical Manures	—	—	—	—	5,835	5,835
Seeds	—	123,164	—	—	104	123,268
Building Materials	20,492	—	33,493	—	106,921	160,906
Various Material	23,439	—	—	—	5,550	28,989
Books, Stationery, etc.	926	—	—	—	41,538	42,464
Total	161,318	184,435	34,993	63,640	253,828	698,214

On the sale of produce and the purchase of agricultural machinery for their affiliated societies the federations receive a commission, which according to the character of the transaction, varies in the following manner:

	Purchase %	Sale %
Federation of Berdiansk	2 - 7	—
„ Yekaterinburg	1/2 - 5	1/2 - 5
„ Kuban	2	1
„ Melitopol	2	—
„ Kiev	1 - 2	2 (for cereals 3 roubles per unit)

As regards the supervision and inspection of accounts of affiliated co-operative societies, the inquiry finds great differences among the different federations. While in those of Yekaterinoslav and Terek there was

inspection made during the whole year, in that of Kiev there were as many as 74 carried out in respect to 72 different co-operative societies.

Outside the purely economic domain, the greater number of the federations occupy themselves largely with propaganda and agricultural education. Thus, the Federations of Kiev, Yekaterinburg, and Kuban already possess very considerable libraries, and that of Berdiansk is organising one and that of Terek has a similar organization in view. The Federation of Yekaterinburg has organized courses of instruction in agriculture and co-operation and the Federation of Terek is about to establish similar courses. They all publish and circulate books and pamphlets of propaganda. Those of Kuban and Yekaterinburg publish a periodical review, while that of Kiev publishes two.

The enquiry made for the Exhibition of Kiev furnishes us with some interesting particulars on the management of the different federations. Each one has a "Board of Management" charged with the general direction of the work of the federations and also a "Business Management" for the immediate discharge of current business.

In regard to their degree of education, general or technical, the members of these bodies may be classed in the following manner:

Federations	Business Management			Board of Management		
	Higher study (University etc.)	Secondary studies	Elementary studies	Higher studies	Secondary studies	Elementary studies
Berdiansk	—	3	2	—	2	2
Yekaterinburg	—	—	3	—	—	—
Kuban	—	2	1	1	2	2
Yekaterinburg	—	4	1	1	—	3
Kiev	1	—	2	1	1	2
Yekaterinoslav	—	—	3	2	1	—
Terek	—	1	2	1	—	4
Yuzhni-Novgorod	—	—	3	—	—	3

Thus we see that, far from being in the hands of theorists educated at the university, the general business management rests with persons of average culture, a class generally represented by the most intelligent among practical farmers.

In this there are both advantages and disadvantages. It is an advantage that the federations are thus more closely connected with the rural classes, the peasantry, and it gives these more interest and more

confidence in the enterprise in the management of which they immediately participate; the disadvantage exists in the fact that the managing directors are often wanting in initiative and sufficient knowledge of business, so that they cannot give the federations the impulse required to make them progress and augment their popularity in co-operative circles.

It is usual to allow the members of the "Business Management" as well as those of the Board of Management some remuneration, consisting, in the first case, in an annual fixed salary; the others receive a counter for every sitting at which they have been present. The cost is shown in the following table (in roubles):

	Berdiansk	Yekaterinburg	Kuban	Meltopol	Yekaterinoslav	Terek	Nizhni Novgorod	Kiev
President of the Business Management Board . . .	1,500	1,380	2,400	600	5	1,000	2	2,400
Member of the Business Management Board . . .	3	1,000	1,800	300	—	900	1.50	1,000
	per day						per sitting	
Inspector	—	—	1,800	—	—	—	600	1,000
Presidents and Members of the "Board of Management"	3	—	—	5	5	5	5	—

To these sums must be added travelling allowances, varying with the distance and means of transport.

These payments explain, to a certain extent, the composition of the boards; for the remuneration would be absolutely insufficient to attract persons of superior education.

Besides the members of the boards, the federations all have a certain number of employees at fixed salaries. The number of these employees with the maximum and minimum of their salaries, is shown in the following table:

	Berdianak	Yekaterinburg	Kuban	Melitopol	Kiev	Yekaterinodar	Terek
Number of Salaried Employees	3	7	—	3	14	1	2
Maximum Salary	360	1,200	1,500	1,000	1,200	900	240
Minimum Salary	120	60	360	300	120	—	180

We shall borrow from the report of the enquiry made by the Petrograd branch (See our sources) the following table showing the financial condition of the various federations and giving us means of forming a more accurate idea of the work done by the Russian credit societies:

Balance Sheets of Federations of Co-operative Credit

	Kiev		Melitopol		
	January	June	January	June	January
<i>Debits.</i>					
Foundation Capital:					
Members' Shares	48,531	84,806	30,896		13,131
Own Capital	2,524	2,524	891	37,151	725
Entrance Fees	4,300	5,350	2,500		
Sums Borrowed from the Imperial Bank	—	—	—	—	—
Sums Borrowed from Small Credit Department	—	—	—	—	—
Sums Borrowed from Savings Banks	30,000	80,000	10,000	10,000	20,000
Other Loans	8,000	8,000	954	954	1,600
Reserve Capital	1,128	1,128	—	3,321	—
Special Funds	2,229	2,229	5,275	5,275	3,000
Deposits	560,771	1,069,569	81,098	42,183	89,304
Current Accounts	305,470	—	37,915	—	—
Sums Borrowed	179,581	237,900	64,000	22,438	—
Contractors	23,904	91,452	7,494	30,220	10,000
Order Account	—	—	—	—	—
Payments for Purchases	409	941	—	—	—
Produce of Sales	152	222	—	—	—
Rediscout	—	—	—	97,000	—
Transfers	8,023	8,223	364	141	2,385
Profits and Interest	20,123	74,364	4,126	5,251	2,644
	1,195,150	1,666,715	245,516	260,044	143,535
<i>Credits.</i>					
Available Amounts	207,798	1,188	50,379	4,908	38,447
Negotiable Paper	500	500	7,246	7,246	—
Term Loans	658,096	1,071,022	157,600	195	80,000
Special Current Accounts	289,860	475,220	29,397	177,900	—
Securities	25,253	70,679	—	57,483	11,701
Goods	1,538	1,522	17	4	9,148
Real Estate	2,229	2,640	713	745	1,337
Various	8,543	20,402	31	4,125	1,437
Expenses and Losses	—	17,398	—	6,528	—
In Hand	1,330	6,141	124	835	1,265
	1,195,150	1,666,715	245,516	260,044	143,535

(*) Fractions of roubles (kopecks) have been omitted.

in January and June, 1913 (in roubles (*))

June	Yekaterinburg		Yekaterinoslav		Terek		Zlatoust	Blagodar- noye
	January	June	January	June	January	June	January	June
	1,765	—	6,925	10,003	18,225	10,100	8,700	—
	—	—	2,762	3,994	—	—	—	—
92,564	—	—	—	—	—	—	—	—
	—	—	—	—	—	—	—	—
	—	—	20,000	20,000	30,000	—	—	—
	—	540	—	—	—	—	—	—
	4,589	6,032	—	—	—	15,000	1,350	—
3,621	1,072	2,277	390	563	1,823	—	—	—
84,502	87,737	46,910	6,854	41,267	50,165	3,761	—	—
	2,496	—	—	—	—	—	—	—
163,298	45,430	97,768	42,400	—	—	37,773	—	—
42,452	66,491	60,103	—	39	1,603	—	53,294	—
	—	—	—	—	—	—	—	—
	—	—	—	186	—	—	—	—
2,120	—	2,784	—	79,900	—	—	—	—
8,776	2,226	1,859	116	25	60	—	5,354	—
8,978	1,225	600	—	5,185	4,838	2,342	—	—
405,314	213,034	218,877	79,446	163,154	106,715	76,576	68,898	—
	—	—	—	—	—	—	—	—
16,264	4,085	—	1,007	10,716	4,764	—	3,501	—
—	2,500	2,500	500	510	—	—	—	—
294,408	145,274	—	76,500	—	96,100	48,907	—	—
29,257	2,156	2,719	—	144,800	—	—	—	—
39,698	—	149,851	—	—	1,176	—	41,911	—
2,497	57,270	61,337	—	—	—	21,906	19,362	—
2,726	1,311	1,489	569	645	1,290	167	855	—
4,927	—	681	—	—	10	—	—	—
8,345	—	—	369	5,986	1,821	1,936	855	—
7,189	436	297	500	505	1,553	3,660	2,388	—
405,314	213,034	218,877	79,446	163,154	106,715	76,576	68,898	—

NOTICES OF SOME RECENT PUBLICATIONS RELATING TO CO-OPERATION AND ASSOCIATION

GENERAL.

SASSEN (Dr. J. L.): *Die Entwicklung der Genossenschaftstheorie im Zeitalter des Kapitalismus* (*The Development of the Theory of Co-operation in Capitalistic Times*). Munich, 1902. pp. 192.

The co-operative movement, says Dr. Sassen, has produced a large number of periodicals, reports, enquiries and occasional essays. But most of these publications are of a descriptive character and seldom provide material for working out a theory. He goes on to say, not only have we no generally accepted theory of co-operation, but we have not even a definition of it.

This is due in part to the great variety of its forms and objects which conceals the simplicity of its principles.

In his exposition, our author occupies himself with the co-operative ideas held by the social reformers of the nineteenth century and considers co-operation as a typical instrument for the reform and perhaps the complete transformation of the existing social order, in contrast with the conservative intentions of Raiffeisen and Schulze-Delitzsch.

He institutes a comparison between modern co-operation and the older co-operative systems. In spite of profound differences, the two systems have a common object in the mutual assistance of their members. The principle inspiring modern co-operation seems to our author to consist in the removal of the opposition between individual and social liberty, between personal liberty and the limitations imposed by society.

After criticising the various definitions that have been given of co-operation, Dr. Sassen gives his own, according to which, "*co-operation means the union of an unlimited number of persons on the basis of individual independence (Selbsthilfe) and democratic equality, with the object of improving the conditions of the members by means of a collective undertaking for production or distribution*".

He goes on to consider minutely the development of the theory of co-operation through the older socialism, Christian socialism and socialist "*revisionism*". In a final chapter, he notes the very recent revival of the study of co-operation as a result perhaps of the development of the "*world power*" which, at the beginning of the twentieth century con-

now 66,000 associations with 12,000,000 members and now is represented by 75,000 associations with 16,000,000 members.

The social tendencies of the day give evidence, on the one side, of an increasing accentuation of the capitalistic character of economy and, on the other, of symptoms of an increasing movement in the direction of democracy and socialism. The influence of the co-operative societies tends in the latter direction, and, in our author's opinion, one of the most important problems of modern political economy is how to recognise co-operation as an element of economic and social reform.

CANADA.

DESJARDINS (ALPHONSE): *The Co-operative People's Bank*. Publication of the "Russell Sage Foundation". New York City, 1914, pp. 42.

Alphonse Desjardins was one of the earliest pioneers and is still one of the most fervid apostles of co-operative credit both in Canada and the United States. To his initiative are due those co-operative people's banks that have attained such considerable development in Canada, conferring great benefits upon the poorer classes of the cities and country districts, as well as of the mining localities and even the regions of recent colonisation.

The work we have before us gives a brief account of their action and at the same time a serviceable tract in favour of their principles. In a brief introduction, the author examines the various systems of popular credit, ancient and modern; then he describes the work and characteristics of the Canadian banks of this class (liability limited to shares (5 dollars each) payable in instalments and withdrawable), right to make deposits reserved to members, officers elected by the members etc). This account is accompanied by statistics showing the very satisfactory results attained up to the present.

UNITED STATES.

HAM (A. H.) and ROBINSON (L. G.): *A Credit Union Primer*. The Russell Sage Foundation. New York. 1914.

This is, as far as we know, the first book of its type to be published in the United States, though similar manuals of co-operative banking are common enough in Europe. The joint authors have done their work well, as was to be expected. As Director of the Division of Remedial Loans of the Russell Sage Foundation for the past six years, Mr. Ham has had an excellent opportunity of studying at first hand the problem of small credit in cities,

while Mr. Robinson has for ten years been General Manager of the Jewish Agricultural and Industrial Aid Society which organised the first Credit Unions in the United States. Together, the authors were largely responsible for the passage of the New York Credit Union Law of 1914. This Law (Chap. 369, Laws of 1914) is given in full in the *Primer* which consists of four parts: (1) An Introduction which is in the nature of a short historical sketch of the development of personal credit associations in various countries; (2) The information necessary for the successful organisation and administration of a Credit Union conveyed in the form of questions and answers; (3) A description of the different books and forms required in the working of a Union; (4) The provisions of the New York Credit Union Law. The authors have succeeded admirably in compiling a useful manual of co-operative credit and the Russell Sage Foundation is to be congratulated on the book's timely appearance.

ITALY.

ATTI DEL PRIMO CONGRESSO DELLE COOPERATIVE E MUTUE AGRARIE DELLA SARDEGNA (*Acts of the First Congress of the Sardinian Agricultural Co-operative and Mutual Societies*). Cagliari, December 21st.-23rd., 1913. Stabilimento Industria Tipografica, 1914, pp. 11.

These Acts of the first Congress of the Sardinian Agricultural Co-operative and Mutual Societies, besides giving a report of the discussions that took place at the Congress, contain two interesting reports, one by Dr. Giuseppe Dessi, on Mutual Livestock Insurance and Reinsurance in Sardinia, the other by Prof. Annibale dell'Aglio, on the Organization of Livestock Improvement and Dairying in Sardinia. The volume contains a table showing the agricultural co-operative and mutual societies existing in the provinces of Cagliari and Sassari on December 20th., 1913, as well as the rules of the new "Federazione delle Cooperative e Mutue Agrarie della Sardegna" (*Federation of Sardinian Agricultural Co-operative and Mutual Societies*).

RUSSIA.

Сводъ Балансовъ Обществъ Взаимнаго Кредита дѣйствующихъ въ Россіи на 1 января 1914го года (Пзданіе Особенной Канцеляріи по Кредитной Дѣлности). (*Collection of Balance Sheets of Mutual Credit Societies working in Russia as shown in the statements for January 1st., 1914*). Published by the Special Chancery for Credit Business. Petrograd, P. P. Soikin, 1914. 38 pages folio.

The interest of the present issue of this half yearly publication of the Special Chancery for Credit Business is increased by the fact that the oldest of the Mutual Credit Societies now working in Russia, bearing

the name of the "Premier Mutual Credit Society of Petrograd", began operations in 1864 and, consequently, the "Collection" affords us in a way a summary view of the entire development of the institution during half a century. Under such conditions, and in consideration of the importance for rural economy of the development of mutual credit, we propose to extract from the simple list of balance sheets summarised in the "Collection", and publish in the next number of our Bulletin some statistics showing the general progress of the Russian Mutual Credit Societies and their financial situation at the beginning of the current year. We limit ourselves for the present to observing that at the date indicated the total number of Societies was 1,108 and the total amounts shown in their balance sheets came to more than 1,000,000,000 roubles, that is to say nearly 5,000,000,000 francs, giving an average per society of 956,000 roubles or more than 2,500,000 francs.

RUSSIA (FINLAND).

ANDELSKASSORNAS CENTRALEKREDITANSTALT AKTIE BOLAG (Osuuskaasojen Keskuslainarahasto Osakeyhtiö) och Finlands Andelskassorörelse åren 1903 till 1912 (*The Central Bank of Credit Co-operative Societies of Finland (Society Limited by Shares) and the Progress of Co-operative Credit in Finland between 1903 and 1912*). Helsingfors. Yhteiskirjapaino Osakeyhtiö, 1914, in 7 volumes. 152 pages.

Recently, on closing its accounts for its tenth working year, the Central Bank of the Credit Co-operative Societies of Finland (in Finnish, *Osuuskaasojen Keskuslainarahasto*; and in Swedish, *Andelskassornas Centralkreditanstalt*) published a most interesting general report of its work during the first ten years of its existence, as well as of the general development of co-operative credit in the Grand Duchy.

The absolutely unexampled centralisation characterising the general organization in Finland, as well as the exceptionally varied contents of the book, give this remarkable publication quite special interest. So we propose to give an ample summary of it in one of the following numbers of our Bulletin. Let us now limit ourselves to a few general remarks.

The first part of the report gives an account of the foundation and progressive development of the Central Bank of the Co-operative Credit Societies of Finland, an institution, obliged, by certain legislative provisions, to assume the form of a society limited by shares. Founded on the initiative of the "Pellervo", the parent society of all the co-operative organizations of the country, the Central Bank, on December 31st., 1903 (the year of its foundation), had as members only eight banks, which had together only 253 members. Ten years later, on December 31st., 1913, the number of co-operative credit banks affiliated to the Central Bank exceeded 400, with a total number of more than 20,000 members. In 1903, the credit applied for from the Bank was only 114,000 francs and

42,000 francs were granted. In 1912 7,500,000 francs were applied for and loans were made to the amount of 5,000,000 frs.

For the tenth anniversary of its foundation, the Central Bank of the Credit Co-operative Societies organized an enquiry among its customers in order to ascertain broadly "the general influence of the co-operative credit banks on the intellectual and economic development of Finland". The results of this enquiry, published in the second part of the report we are dealing with, form incontestably the most important portion of it and it is to this we especially intend to return.

The problem to be studied was divided under three principal heads:

(1) The influence of the co-operative banks on the development of agriculture;

(2) The influence of these same banks as an element of intellectual education;

(3) And finally the importance of the co-operative credit banks as a factor in ethical progress.

The statistics furnished in regard to the first point have been grouped together in the five following classes: Influence of the co-operative credit banks in: (1) the increased area of the holdings cultivated or improved, (2) the increased number of farm buildings, (3) the increase in the number of the head of livestock, (4) the technical methods of cultivation and agricultural technique generally, and, finally (5) economic co-operation.

This publication of the Central Bank of the Co-operative Credit Societies of Finland concludes with a whole series of regulations, forms and miscellaneous information (we shall make special mention of a bibliography of the principal elementary works in Swedish and Finnish on Co-operative Credit), which makes this excellent book much more a concise and complete handbook of the co-operative credit institutions in the Grand Duchy than a simple sketch of ten years' work of the most important of them.

Part II: Insurance and Thrift

ITALY.

INSURANCE AGAINST ACCIDENTS IN AGRICULTURAL WORK

by Prof. PROSPERO FERRARI.

Secretary of the Royal Academy of "Georgofili"
and Manager of the Tuscan Mutual Agricultural Insurance Society.

If Italy has as yet no special law for insurance against accidents in agricultural work, that is not to say that nothing has been done, or the initiative of private bodies, which have in part made up for the omission in the law in force which protects industrial workmen generally, and also a few individuals employed only in special kinds of agricultural work. Attempts have been made to make up for the omission in the law, in succession of bills, which, however, for various reasons, have never come up for discussion in Parliament.

This delay in the passing of a special law in regard to accidents in agricultural work has perhaps not been a great evil, since, meanwhile, the institutions that have been founded independently, on private initiative, have contributed material for the study of the important question, which is the more complex in Italy, owing to the various methods of cultivation applied on the farms, on account of the special conditions of the Italian regions differing so greatly from each other in respect to the crops cultivated in them and their agricultural economy.

Students of the manifestations of thrift, and especially of social insurance, will perhaps find it not uninteresting to consider the precedents of agricultural accident insurance in Italy as now applied, and the fundamental conceptions by which the various bills above referred to were inspired, while it is to be hoped that the solemn promise made by the Prime Minister, the Hon. A. Salandra, to present a definite bill when Parliament

opens may be maintained, even if the gravity of the conditions of international politics justify some delay in the study of social problems affecting our nation alone.

§ I. THE LAW OF JANUARY 31ST., 1904 (NO. 51) AND AGRICULTURAL LABOR

In March, 1888, a law was passed, amended in 1893, by the 29th. article of which the Government was given power to unite in a single text the provisions of the law as amended, as was done only eleven years later, when a Royal Decree authorized Law no. 51 of January 31st., 1904 (final text) on accidents in work, by which the matter is still regulated, although by some time the question has been under study how to introduce into it the amendments and reforms that experience has shown to be necessary.

The law in force, then, it may be said, exclusively concerns workmen engaged in industries and only a few of those engaged in agricultural work. In fact insurance is only compulsory:

1st., *Whatever the number of the employees:*

(a) in undertakings for building or demolition of houses and in loading, carriage and unloading of building material or material removed from buildings demolished, and amongst such undertakings are included all works of building, restoring, completing, altering or demolishing buildings in town or country;

(b) in connection with machines set in motion by *inanimate* forces or their motors, when these machines are used for industrial or agricultural purposes... or in subordinate work as a result of which the workmen are exposed to injuries from such machines or their motors.

2nd., *When there are more than five employees engaged in:*

(a) transport by land;

(b) in works of reclamation undertaken with the object of rendering healthy and fit for cultivation entire areas, either by means of canals or drains, or by raising the level or by drainage with the help of machines;

(c) in work in connection with landslips and the regulation of the mountain basins;

(d) in felling trees and thinning forests and transporting lumber to the ordinary depositing sites on the banks of rivers or torrents or near cart roads and launching it on the rivers or torrents.

As we see, while the obligation of insurance is very clear in the case of those engaged in building, restoring and altering buildings and working with machines set in motion by inanimate forces, practically, it is quite open to discussion, whether it exists in the case of transport, wood cutting in forests, reclamation work and work undertaken to bring land under cultivation, when, not only the number of workmen employed, but also the character of the undertaking is uncertain, when such work is undertaken by the proprietor for his own account.

Thus, there are many cases in which it is doubtful whether insurance or is not compulsory according to the provisions of the law of January 31st, 1904, and even if they desired to conform with the law, agricultural and forestry businesses would find almost insurmountable difficulties in attaining the regulations, such as, for example, those regarding the keeping of pay books and registers of employees with the accuracy the insurance statutes may demand and the non-observance of which they often take advantage of in order to contest claims for accidents.

The characteristics of agricultural industry are such and so different in different regions that it is not considered possible by means of suitable amendments to extend the application of the law in force in regard to accidents in industrial work generally to those in agricultural industry and so the necessity has been recognised of arranging for a special law for insurance against accidents in agricultural work to apply in the case of all kinds of work for which insurance is not now compulsory but which contribute a large percentage of accidents as compared with those kinds contemplated in the law in force.

Unfortunately, however, between 1906 and today, a succession of bills have been brought forward in which the fundamental principles vary considerably, as will be seen from the brief comment we are about to make.

122. BILLS FOR INSURANCE AGAINST ACCIDENTS IN AGRICULTURAL WORK.

Conti Bill. — It is not possible to deal with the subject of insurance against accidents in agricultural work, without mentioning the name of Senator Conti, who was its first champion; since as long ago as 1889 he had already provided for the insurance of the members of the *Fratellanza* Society, founded by him among the peasants, against accidents in their work, by means of their registration with the National Society which has head quarters at the Savings Bank of Milan.

It was therefore natural that he should have been the first to draft a bill on *Compulsory Insurance of Peasants against Accidents in their Work*, which was presented in the Senate on January 31st., 1907 and taken into consideration. This bill was submitted, under the auspices of the Italian Farmers' Society, to the agricultural associations for their opinion, and Senator Conti himself read a report on it on February 26th., 1908. In view of the suggestions made, he presented a new bill on "*Compulsory Insurance of Holdings against Accidents in their Work*", which was presented and considered in the Senate on March 30th., 1909. The bill was favourably reported on by the Central Office of the Senate which made some slight amendments in it.

The fundamental principles of the bill were:

The insurance of labourers is a duty attaching to holdings; but the cost of the premium, must be paid by the tenant farmer who works the farm, and in case of metairies, half by the farmer and half by the metayer. Only

such accidents must be taken into consideration as produce death or total or partial permanent disablement. The labourers may be insured in private societies, in duly recognised and authorized institutes or in the National Society for Insurance against Accidents in Work. The premium must be calculated at so much per hectare, according to the class of farm; compensation in case of death or total permanent disablement must be fixed at 2,500 frs., but only 1,000 frs. if the victim were unmarried and not supporting a family. In Senator Conti's original bill, compensations for temporary disablement were also contemplated, amounting to 1.50 fr. and 1 fr., according to the conditions of the victim, but the Central Office of the Senate did not approve this.

The fundamental idea of the bill was good, because it established the principle of premiums in accordance with area, taking account of the various uses which the farm serves and not of the individual labourers, as it is not possible to determine the degree of their risks, their wages and number varying so considerably at different seasons.

LUZZATTI-RAINERI Bill. — The Conti bill was not discussed in the Senate, as in the meantime the Hon. Signor Luzzatti, Prime Minister and Minister for Home Affairs, and the Hon. Signor Raineri, Minister of Agriculture, on December 5th., 1910, had laid before the Senate Draft Law on "*Agricultural Labourers' Accidents in their Work*", prefacing it by a valuable and complete report on the important question, examining in respect to precedents and to the legislation and application of the law in other countries and also to what has been done in Italy on private initiative, as well as to the relation between the burden of compulsory insurance, the revenue of the land, the estimated number of labourers, the area of the farms and their manner of cultivation, in order to show how agriculture may very well bear the burden of compulsory insurance so as at least to give partial compensation for the serious injuries which persons employed in agricultural work often suffer.

The fundamental principles of the Luzzatti-Raineri bill were as follows: The law was to apply in the case of all employees on farms, engaged in any kind of work, except those contemplated in the law of January 31st., 1904.

The insurance was to cover accidents causing death or permanent disablement, either total or partial, if involving a reduction of working capacity of more than 20 %. but not temporary disablement; the premium was to be fixed in relation to the area and the class of cultivation; the cost of the insurance to be borne by the proprietor of the farm if he worked it himself, by the tenant if it were leased and, in case of metairies, in the proportion of three fifths by the landowner and two fifths by the metayer. Compensation to the amount of 2,000 francs was to be given for the death of an adult man, 1,000 frs. for that of an adult woman, 500 frs. for that of a child for total permanent disablement, 2,500 frs. if the victim were a man, 1,250 frs. if a woman, and for permanent partial disablement the amount was to correspond with the reduction of working capacity, provided it were not less than 20 %. Insurance in private institutes authorized for work in the

Kingdom was to be free and permission was to be given for the formation of consortiums authorized also to insure the employees engaged in the occupations contemplated in the law of January 31st., 1904, on condition of their conducting this business separately; the insurance consortiums were to be exempt from all taxes, and the intermediaries, who for their own ends offered their services to labourers victims of accidents, were to be liable to punishment and fines in accordance with the law.

This bill was examined by the Central Office of the Senate, which, however, in a report of March 25th., 1912, rejected it, by three votes to two, on account of the principle of compulsory insurance of agricultural labourers contained in it, considering that the free contribution of the landowners and the labourers would be a guarantee of the loyal and effectual application of a system for the grant of compensation to victims of accidents in agricultural work.

This conclusion was too hasty and two members of the Central Office dissented from it; but the bill was not discussed and meanwhile the Luzatti Ministry fell.

The 1913 Proposal.—We give this name to a proposal which, although it was drafted while the Hon. Signor Nitti was Minister of Agriculture, cannot be given his name, as it was presented neither in the Senate nor in the Chamber. It was only a draft law for the extension of compulsory insurance to cover accidents in agricultural work, prepared by a Commission appointed by the Minister Nitti, but it was published, and examined, praised, criticised and probably, with only some slight amendments, would have been presented as drafted for discussion in Parliament, if political circumstances had not led to the fall of the Ministry in March, 1913, and it is not known if the present Minister of Agriculture, the Hon. Signor Cavasola, will bring it forward again or introduce a new bill.

It is all the same desirable to mention the fundamental principles by which the 1913 proposal was inspired, because some are quite new and differ from those in the bills already considered.

The cost of the insurance was to be borne by the head or the manager of the farm or forestry business; the premiums, fixed in relation to the area and the risks of the various kinds of farm, were to be collected, by means of lists to be forwarded to the collector.

Compensation was fixed as follows for deaths:

Age	Men	Women
From 9 to 15 years	frs. 500*	frs. 500
" 15 " 23 "	" 2,000	" 1,000
" 23 " 55 "	" 2,500	" 1,250
" 55 " 70 "	" 1,500	" 800

And for permanent total disablement:

Age		Men	Women
From	To		
9	15 years	frs. 1,200	frs. 1,000
" 5	" 23 "	" 2,500	" 1,500
" 23	" 55 "	" 3,250	" 2,000
" 55	" 75 "	" 2,000	" 1,000

Compensations were to be paid in cash, if, deposited in the *Cassa Nazionale di Previdenza (National Thrift Institute)*, they would give an income of less than 250 francs a years. To the compensations for permanent disablement there was to be added one tenth for every child under 13 years of age, up to the amount of 50 % of the compensation. The insurance was to be arranged exclusively with *Compulsory Insurance Consortiums*, the number, head quarters and district of which were to be fixed by the Agricultural Department, and which were to be authorized freely to undertake other branches of insurance. The management of the Consortiums was to be entrusted to a meeting of from twenty five to fifty members, two fifths of them chosen by representative organizations of agricultural employers, two fifths by representative organizations of labourers and one fifth by the Provincial Council.

Reinsurance of from 25 to 50 % of the risks in the National Society for Insurance against accidents in work was to be compulsory. Disputes in regard to claims for compensation and payment of same, were to be dealt with by the Provincial Commissions formed to deal with agricultural accidents, in accordance with the procedure established in the law on Arbitration, and consisting of three members, of whom one was to be a judge of the Court, and the others representatives of the employers and the labourers respectively. The Consortiums were to be exempted from all taxation. Severe punishments and fines not exceeding 2,000 frs. were to be imposed on intermediaries who gave assistance to the labourers for remuneration. The characteristic points in this draft bill were: compulsory insurance with no liberty of choice of the institute in which to insure, as the National Accident Insurance Society was to be substituted in all cases in which a Consortium could not act; compulsory reinsurance in the National Society; the institution of Provincial Commissions with procedure similar to that of the Councils established by the law on Arbitration; and the variability of the compensation with the age of the victim.

It is not our part here to touch on the praise and criticisms this bill received from the Commission, because it is very probable that the new Minister of Agriculture will make radical changes in it, and it is to be hoped that, finally, a law will be presented to the Chamber or the Senate adapted to the special conditions of Italian agriculture, based on the experience of the Institutions founded on private initiative, of which it will be well to say a few words.

§ 3. PRIVATE UNDERTAKINGS FOR INSURANCE AGAINST ACCIDENTS IN AGRICULTURAL WORK.

While these various bills have had so little success that they were not even discussed in the two Houses of Parliament, the difficulties in the way of insurance against accidents in agricultural work were faced and overcome by private institutions intelligently and economically, because on the basis of mutuality, and we shall here mention in chronological order the Institutions still working that have furnished statistical and economic data of considerable importance.

Cassa mutua degli agricoltori per gli infortuni degli operai sul lavoro. Sede a Vercelli (Agricultural Mutual Society for Insurance of Labourers against Accidents in Work, with head quarters at Vercelli in Novara). — On February 9th., 1903, there was founded at Vercelli a Co-operative Society for the insurance of all the agricultural employees of its members against accidents in their work. After the law of June 28th., 1903, amending that of March 17th., 1898, and then by Royal Decree of January 31st., 1904, no. 51, made the final text, had rendered insurance against accidents compulsory for certain classes of agricultural labourers, or rather in the case of certain definite work (machine threshing, felling trees in forests, working with machines set in motion by inanimate force, etc.), the Co-operative Society, by deed of March 4th., 1904, transformed itself into a Consortium, and founded the *Cassa Mutua degli Agricoltori* (Farmers' Mutual Society), regularly constituted as an incorporated body by Royal Decree of August 10th., 1904. So it has now been working ten years and the Report for the year 1913 shows that it has 741 members with 934 policies, for an area of 97,900 hectares cultivated in various ways, and the amount of wages of the labourers for whom premiums are paid is 17,032,403 frs. The premiums for 1913 amounted to 79,599.05 frs. The net capital was 11,769.80 frs. The premium is established in relation to the area and the kind of cultivation, taking account of repayments; it varies from 0.52 fr. to 0.61 frs. per hectare. Compensation is given in case of death and total and partial permanent disablement, but up to 1909 not for temporary disablement; during the last four years compensation has also been given to labourers for whom insurance is not compulsory by the law, and, under this head, in 1913, 2,600 frs. were paid in compensations for 1,350 days.

In ten years claims to the amount of 239,412.05 frs. were paid for accidents:

	Frs.		Frs.
1904	2,855.00	1909	8,442.51
1905	10,248.00	1910	25,433.26
1906	15,568.35	1911	28,073.05
1907	23,855.12	1912	42,568.70
1908	17,839.99	1913	58,638.15

The principal merit of the Vercelli Mutual Society, besides that it was the first to insure against accidents in agriculture, is that it based the insurance not on the amount of the wages of each individual labourer, but on that of all the labourers required for a certain definite area, according to the different kinds of cultivation; consequently the premium was in relation to the area and the previous identification of the employee executing the work was not required, and so also the registers of pay and of labourers required by the Institutes insuring industrial labourers were not necessary. The amount of labour for every kind of cultivation being established and it being ascertained in how many ways a farm is cultivated, either in view of rotation of crops or the succession of agricultural labour, it was found that the average proportions of wages for the territory of Vercelli and the adjacent regions were 157 fr. and 175 fr. per hectare and the premiums calculated at 5 % were 0.785 fr. and 0.875 fr. per hectare, reduced by refunds made at the end of the working year to 0.52 fr. and 0.62 fr.

Cassa mutua dei fondi rustici in Toscana per l'assicurazione del personale delle aziende agrarie contro gli infortuni sul lavoro. Sede in Firenze (Tuscan Agricultural Landowners' Mutual Society for Insurance of Farm Labourers against Accidents in their Work, with head quarters in Florence). — By deed of December 4th., 1908, this society was founded on the initiative of the *Comizio agrario* of Florence and, by Royal Decree of February 25th., 1909, registered in the Court of Accounts on March 17th., 1909, it was declared to be an incorporated body. It began work on April 5th., 1909, extending its action over the whole of Tuscany, that is the Provinces of Florence, Arezzo, Siena, Lucca, Pisa, Leghorn and Grosseto. It has completed five years of work and its report shows that on February 28th., 1914 on which date its working year closed, there were 668 registered members, owning 835 farms, with 127,932 hectares insured cultivated with grain only, or at once as cornfields, vineyards, olive yards, and orchards; 2,121 hectares consisting only of vineyards and oliveyards, 118,546 hectares of copse wood and forest trees and 47,231 hectares of uncultivated grazing ground, in all 295,830 ha.

The Florence Mutual Society insures all persons who are engaged in any kind of work permanently or temporarily, and, since almost everywhere the farms are worked as metairies, that is the metayer receives half the profits, not only all the members of the metayers' families are insured but also temporary hands, day labourers, bricklayers, labourers engaged in the forests or in threshers etc.

On February 29th., 1904, the total number of these persons was calculated at 112,718 members of metayers' households, 41,728 men and boys over 13 years of age, 32,834 adult women, 6,345 men and women over 65 years of age and 31,811 children under 13 years of age, who were, however, not insured. Besides the above metayers and their families there are about 6,600 temporary employees, some of them engaged in work in which insurance is compulsory, for example, bricklayers, woodcutters and labourers working with machine threshers, also insured in the Mutual Society. The annual premium is fixed in relation to the area of the farm, according

being taken of the various kinds of cultivation for which it serves, the relation between the area and the rural population, the special risks in some kinds of cultivation or transformation of produce and machine work, etc.

The complex and various agricultural conditions in the different provinces of Tuscany has made it necessary to have premiums calculated in relation to area varying from 0.30 fr. to 1.50 fr. the hectare for grain farms and farms on which grain and ligneous plants are grown together, while the premiums are fixed at from 0.40 fr. to 0.20 fr. per ha. in the case of copse wood and forests.

In 1913-14 the general average premium per hectare for the 120,800 ha. of cultivated land was really 0.69 fr. The premiums have been reduced by 20 % for 1914, as the preceding working years showed that such reduction could be allowed without endangering the solvency of the Mutual Society, which has already formed a reserve fund of sufficient amount, and, in case of the expenditure exceeding the receipts, a supplementary contribution will be called for from each member in proportion to his premiums.

The Mutual Society has arranged to form a reserve fund as an additional guarantee of its work, by means of an entrance fee of 0.10 fr. per a. cultivated and 0.05 fr. per hectare of forest or grazing ground, and the interest on the amounts held in deposit. At the end of the 5th. working year, on February 28th., 1914, the reserve fund amounted to 96,105.14 frs., making, with the 7,200 frs. of the special reserve fund constituted by means of grants from the Tuscan Savings Bank and Agricultural Comizii, a total of 103,305.14 frs., which has allowed of a reduction of from 5 to 4 per mill. on the total annual wages, as estimated for the year, namely 8,867,520 fr., so that the amount of the ordinary premiums has been reduced from 144,337.60 fr. to 115,470.08 fr. for the year 1914-15, and the average premium of 0.69 fr. per ha. in the case of land cultivated with grain or trees, exclusive of forest trees, has been reduced to 0.32 fr. and in the case of copse woods to 0.16 fr. per ha.

As we see, the premiums are comparatively very low and agriculture can support them, even if they fall entirely on the landowners. The Florence Mutual Society gives compensation in case of death and total or partial permanent disablement to anyone who meets with an accident in his work, whether insurance is compulsory in his case or not.

Compensation for temporary disablement is only given to those for whom the law makes it compulsory; however, in case of serious consequences of accidents to labourers when insurance is not compulsory, involving expenses for medical attendance, or prolonged temporary disablement, the Mutual Society gives adequate subsidies, amounting, in its fifth working year, to 2,875 fr.

The compensation paid in case of death is 2,000 fr. for men and 1,500 fr. for women; in case of total permanent disablement it is 2,400 for men and 1,800 for women; for partial permanent disablement it is reduced according to the degree of working capacity of the victim.

Compensation is fixed as above in the case of victims of accidents

in work for which insurance is not compulsory, while, in the case of such work as is contemplated in the law of January 31st., 1904., compensation is given at the rate of six times the annual wages in the case of total permanent disablement, and five times the wages in the case of death.

Between 1909 and 1913 the compensation paid to victims of accidents amounted to 229,672.59. fr. as under :

Working Year	Accidents	Compensation
1909	92	9,995.46
1910	220	25,363.73
1911	328	49,850.49
1912	410	62,740.10
1913	513	81,722.81
Total	1,563	229,672.59

Cassa Mutua Lombarda di Assicurazione contro gli infortuni sul lavoro nell'agricoltura. Sede a Milano (Lombard Mutual Society for Insurance against Accidents in Agricultural Work, with head quarters at Milan). — The Lombard Mutual Society was formed on the initiative of the Association of Landlords and Farm Managers, with rules approved on May 21st., 1910, and began its work in November of the same year.

It extends its action over Lombardy, a region in which the kinds of cultivation vary greatly, and consequently it has fixed its premiums in relation to area and to the various kinds of cultivation and the risks of labour.

The insurance covers cases of death and total permanent disablement; partial disablement is not compensated when less than 10 % of the total working capacity is lost; compensation for temporary total disablement is given from the twenty first day.

Compensation is given as follows: in case of death, for men, 2,000 frs. for women, 1,000 frs. and for children 500 fr., in case of total permanent disablement, for men 2,500 frs., for women and children, 1,200 frs.; for temporary disablement, 1 fr. a day for men and 0.50 fr. a day for women and children, considering as children all those between 12 and 18 years of age.

Assicurazione mutua agricola Piemontese contro gli infortuni dei contadini ed operai sul lavoro. Sede a Torino (Piedmontese Agricultural Mutual Insurance Society against Accidents to Peasants and Labourers in their Work with head quarters at Turin). — On the initiative of the Piedmontese Agricultural Co-operative Syndicate, there was instituted, by deed of June 20th. 1910, an Agricultural Consortium for Mutual Insurance against Accidents in Work, to act especially in the provinces of Turin, Alessandria and Cuneo. In its working it resembles the above Mutual Society, that is its premiums are in relation to the area. It has 193 members, and insures 3,003 ha of farms.

Mutua agraria infortuni per l'assicurazione degli operai agricoli contro gli infortuni sul lavoro. Sede a Bologna (Agricultural Mutual Society for

Insurance of Agricultural Labourers against Accidents in their Work, with head quarters at Bologna). — On the initiative of the Interprovincial Agricultural Federation, this Mutual Agricultural Society was constituted by deed of April 21st., 1910, and recognised by Royal Decree of May 11th., 1911. It extends its operations especially in the provinces of Bologna, Rovigo, Mantua, Ferrara, Modena, Ravenna and Parma; it has now 205 members owning farms of a total area of 22,589 ha.

The principles on which it works are almost the same as those of the other Mutual Societies, that is, premiums in relation to area, and compensation only in case of death and permanent disablement for victims of accidents in work for which insurance is not compulsory by law.

Cassa mutua romana di assicurazione contro gli infortuni sul lavoro nell'agricoltura. Sede a Roma (Roman Mutual Society for Insurance against Accidents in Agricultural Work; with head quarters in Rome). — This Mutual Society, which is to have the province of Rome for its field of action, was founded by deed of July 1st., 1914.

It was to commence working in November, 1914 and from its Rules it appears that it will follow in the steps of the other Mutual Societies, except as regard compensation, which it fixes at 2,000 fr. in case of death, of men, and 1,200 in that of women; at 2,500 in case of total permanent disablement of men and 1,200 in that of women and children (between the ages of 12 and 18), but it will only give compensation for permanent partial disablement, when the total working capacity is reduced more than 20 %.

* *

Thus six mutual insurance societies have been formed on the initiative of agricultural organizations, but we must also note the insurance undertaken by private societies with systems of premiums in relation to area and collective policies.

Assicuratrice italiana (Italian Insurance Society). — This Society, which has its head quarters in Milan, in 1908, started insurance policies for all farm work whether or not subject by law to compulsory insurance, by means of collective premiums, in relation to the area and the kind of cultivation, with a standard premium of 2 fr. the hectare, to be reduced when the cultivation is not very intensive; compensation fixed in advance is also granted varying from 2,000 fr. to 3,000 fr. in case of death, according to the kind of work on which the victim was engaged, from 1,500 fr. to 4,000 fr. in case of permanent total disablement and from 1.50 fr. to 2.50 fr. a day in case of temporary total disablement.

This Society has the merit of being the first insurance society to introduce voluntary insurance for agricultural work, with premiums in relation to area and with no obligation to keep registers of pay and of employees.

Società anonima italiana di assicurazioni contro gli infortuni (Italian Accident Insurance Society, Limited by shares, with head quarters at Milan). — This society has extended its field to include accidents in agricultural work for which insurance is not compulsory, charging a premium

in relation to area and to the class of cultivation and granting compensation to the amount of 1,500 times the daily wages, up to a maximum of 2,500 frs. in case of death and 1,800 times the wages up to a maximum of 3,000 frs., in case of total permanent disablement and 1 fr. per day for temporary disablement.

Unione interprovinciale agricola. Sede in Cremona (Interprovincial Agricultural Union, with head quarters in Cremona). — In 1907, this Society began to insure against agricultural accidents, charging a premium of 1.50 fr. per hectare, afterwards reduced to 0.75 fr. and granting compensation of 1,500 fr. in case of death, 2,000 fr. in case of total permanent disablement; and, in case of temporary disablement, 1 fr. a day for the head of a family and 0.50 fr. for the other members, for six months.

La Fondiaria, with head quarters in Florence. — This Society, well known for its work in relation to life, hail and fire insurance, began in 1910 collective insurance against agricultural accidents, asking premiums varying from 0.90 fr. to 2.25 fr. per ha. according to the risks and the type of policy; the average premium per hectare was 1.25 fr. per ha. It extends its action over the whole of Italy and has already insured about 40,000 hectares of farm land on which there are about 14,000 labourers.

The compensation is fixed at 2,000 frs. in case of death of men and 1,000 frs. in case of that of women; in case of total permanent disablement 2,500 fr. for men and 1,200 fr. for women: for partial permanent disablement, in proportion to the reduced working capacity, provided it be not less than 20 %. Compensation for temporary disablement is also given by it, at the rate of 1 fr. per day.

By means of the premiums mentioned the society insures and compensates at the above rates, only labourers and metayers engaged in agricultural work, exclusive of those contemplated in the law of January 31st., 1904, (labourers engaged in threshing, felling trees, working, with machinery set in motion by inanimate force, bricklayers etc.), who must make special arrangements if they desire to insure with this society.

Cassa nazionale di assicurazione per gli infortuni degli operai sul lavoro. Sede in Roma (National Society for the Insurance of Labourers against Accidents in their Work, with head quarters in Rome). — This institution of official character, the principal business of which, rendered also compulsory for it by law, is the insurance of all applicants against accidents in industrial work, has been recently authorized by Royal Decree of May 14th., 1914, No. 547, to insure agricultural labourers against accidents in work not contemplated in the law of January 31st., 1904, No 51 (final text). It is now making trial of the rates and compensations we shall mention below.

After the example of the mutual insurance institutions already existing, the National Society also has adopted premium tariffs in relation to area and the premiums per hectare differ according to the kind of cultivation specified in special tables, varying from 0.75 frs. to 3 frs. the hectare for land cultivated with grain and from 1.50 fr. to 6 fr. for land cultivated with ligneous plants.

In the case of rotatory crops, without distinction of risks, from 0.80 fr. to 1.60 fr. per hectare, in that of forests from 1.25 fr. to 2.50 fr. and in that of copsewood from 0.75 fr. to 1.50 fr. per ha.

These various premiums correspond with three classes of compensation, maximum, minimum and medium, thus :

In case of Death :

	Compensation		
	Maximum	Medium	Minimum
	fr.	fr.	fr.
Men	2,000	2,000	2,000
Women	1,000	1,000	1,000
Children and Aged Persons . .	500	500	500

In case of Permanent Total Disablement :

Men	2,500	2,500	2,500
Women	1,200	1,200	1,200
Children and Aged Persons . .			

In case of Permanent Partial Disablement :

Men	Exclusive of Disablement less than 5 %	Exclusive of Disablement less than 11 %	Exclusive of Disablement less than 21 %
Women			
Children and Aged Persons . .			

In case of Temporary Disablement :

Men 1 fr.	After 5 days	After 20 days	No Compensation
Women 0.50 fr.			
Children and Aged Persons . .			

Sick Pay for 90 days.

Men 1 fr.	} none	} none
Women 0.50 fr.		
Children and Aged Persons . .		

Persons between 9 and 15 years of age are counted as children, between 15 and 70 years of age as adults and over 70 years of age as aged.

The above compensations are only due in cases of accidents occurring in the place where the agricultural work is being performed and resulting from the work itself, while all cases contemplated in the law of January 31st., 1914 in force are excluded, as well as all accidents in connection with wood cutting in forests, with work in connection with machines set in motion by inanimate forces, and thus machine threshing, bricklaying etc. on farms.

The characteristic of this society is that it gives freedom to select the maximum or minimum compensation for partial disablement, either temporary or permanent, without any limitation or limited to cases of diminution of more than 11% or 21% of the working capacity, in the case of permanent disablement, a liberty that will, however, greatly embarrass the owner of the farm when he desires to arrange the insurance together with

the metayers. Since, if he desires to undertake the whole charge, it is very probable he will select the lowest premium as the least heavy burden for him, which will be still always higher than that in any of the private mutual societies existing, which grant much higher compensation, as they also insure all those who are engaged in work for which insurance is compulsory by law.

Sindacato per l'assicurazione mutua degli operai contro gli infortuni su lavoro fra gli imprenditori di tagli di Boschi. Sede in Roma (Syndicate for Mutual Insurance of Labourers against Accidents in Work, formed among the Contractors for Wood Cutting, with head quarters in Rome). — The law of January 31st., 1904 includes among the kinds of work for which insurance is compulsory the felling of trees in forests, when the labourer employed on the work are more than five and the premium has been fixed at the high rate of 90 % of the wages of at least 1000 frs.

The above Syndicate was constituted with head quarters in Rome, by deed of February 20th., 1905 and began working on March 15th., 1905. It has therefore been in existence nine years and from its Rules we see that it gives compensation in accordance with the principles established in the law, at 5 times the amount of the annual wages in case of death and 6 times the same in case of total permanent disablement and half the daily wages in the case of temporary disablement.

The members give security of 10 fr. for every labourer employed, and pay a monthly premium for every labourer, corresponding with from 25 % to 30 % of his wages, according as he is engaged in making sleepers, staves, etc., or in carpentering or charcoal burning. The report for the ninth working year 1912-1913, shows that the premiums for the year amounted to 130,682 frs., and the amount of claims paid, with that estimated for those under consideration was 74,919.30 fr.; giving as a result, after deduction of all working expenses, claims paid etc., a balance of 43,304.14 fr. a large part of which will be refunded to the members and part will be placed to the reserve fund.

§ 4. ACCIDENTS IN AGRICULTURE, THEIR FREQUENCY, THEIR CAUSES AND EFFECTS.

The opponents of a law for compulsory insurance against accident in agricultural work rely chiefly on the following two arguments, the desirability of leaving freedom for local enterprise to constitute insurance consortiums under the form of private mutual societies, and the small need of insurance, as accidents in agriculture are less frequent than in industry where greater use is made of machinery. The tendency in favour of compulsory insurance has already been manifested officially in the two proposals of 1910 and 1913; the first, left the choice of the insuring institute free and favoured the constitution of private mutual societies, but the second made insurance, the formation of consortiums for definite regions and reinsurance in the National Society, compulsory; whatever bill is pre-

ed will provide for the compulsory insurance of agricultural labourers. regard to the denial of the advisability of this, on the ground that agriculture accidents are less frequent and less serious than in other trades, statistics alone will enable us to judge.

But we have few statistics of accidents in agriculture in Italy, because insurance institutes we have mentioned have been working for too short a time, and only two of them provide us with any figures: the Vercelli Mutual Society and, with ampler details, the Florence Mutual Society.

The reports of the the Vercelli Society show that from 1904 to 1913, there in 10 years, 1,476 accidents were reported, and compensation given in the case of 677 or 455 %:

Total	25	that is 16.9	} per thousand accidents reported
causing Permanent Disablement	166	" 112.4	
causing Temporary " "	486	" 236.2	

The *Florence Mutual Society* in 5 years' work has received reports of 1,503 accidents, and compensation was given in the case of 1,503 or 100 %:

Total	40	or 13	} per thousand accidents reported
causing Permanent Disablement	255	" 83.90	
causing Temporary Disablement	1,268	" 417.30	

As we see, the difference is appreciable when compared with the accidents reported by the Vercelli Society. It is more difficult to establish the proportion of the number of accidents to that of the persons insured, here can be no accurate statistical returns of the persons actually engaged in the agricultural work and it must be borne in mind that some, for example, the members of the metayers' families, remain on the farm the year, while the temporary hands work there only from time to time. From the report of the Florence Mutual Society for its fifth working year we obtain the following figures:

Deaths ending fatally	0.248	per 1,000 persons insured
causing permanent disablement.	1.098	" " " "
" temporary " "	6.489	" " " "

The distribution of the accidents according to season presents a certain interest, and the Florence Mutual Society gives us the following information for the five years 1909-1913 in regard to 3,038 accidents:

Accidents Reported.

January	395	July	334
February	263	August	264
March	213	September	241
April	232	October	260
May	213	November	213
June	231	December	269

So that, there was a maximum of 837 in December, January, February, during the period of wood-cutting; 829 in June, July, August, at the time of harvest, transport and threshing, while in the other two quarters of the year there were from 658 to 714 accidents reported.

These 3,038 accidents reported in 1909-1913 may be classified as follows, according to their causes and the work in which the victims were engaged:

Cutting Wood.	652
Falls from Carts.	299
Bricklaying	292
Falls from Trees	250
Harvesting	227
Falls Generally	201
Herding Animals	193
Ploughing	177
Various Agricultural Labour	149
Work in Yards	129
Threshing	126
Digging Trenches	123
Various Causes	80
Quarrying	49
Carpentering	40
In Presses or Mills	39
Supervision	21
Total	3,038

Nineteen per cent of all the accidents happened to those engaged in cutting trees, especially in copsewoods; falls from trees when harvesting or pruning, falls from carts and falls generally occasioned 22%.

Very few accidents were caused by machinery set in motion by manual force, because even those shown as happening during threshing occurred mostly in subsidiary labour and not properly speaking while working machine threshers.

This classification of the causes of accidents, the first published in Italy, shows how far from the truth is the statement that accidents in agriculture properly speaking are not frequent and serious.

The 40 fatal accidents in the years 1909-1913 were due to the following causes and circumstances:

Falls from Carts	9	Loading Railway Trucks	2
Falls from Trees	6	Falls Generally	2
Falls from Haystacks	3	Machine Threshing	1
Ploughing	3	Digging Sand	1
Herding Animals	5	Drowned in a Vat	1
Bricklaying	3	Household Service	1

and, as we see, all in work for which insurance is not compulsory under the existing law, with the exception of those occurring in bricklaying and machine threshing.

With regard to the kind of injury, the Florence Mutual Society has given the information we summarise below :

Bruises	731	Punctures	218
Cuts	689	Crushings	104
Bruises with Laceration	399	Injuries to the Eyes	140
Bruises With Fracture	301	Ruptures	23
Dislocations	291	Burns	12

They may be classified as follows with regard to the part of the body affected :

Skull, Face, Neck	194	Spine, Pelvis	138
Right Eye	91	Right Thigh	46
Left "	88	Left "	31
Shoulders	103	Right Knee	82
Right Arm and Forearm	89	Left "	57
Left " " "	104	Right Leg	117
Right Hand	536	Left "	78
Left "	611	Right Foot	109
Thorax, Ribs	210	Left "	191

The number of the injuries to hands is remarkable, 1,147 in all : 431 due to cuts, which is easily understood, when we consider the work of pruning, reaping and felling trees.

§ 5. LIMITS AND CHARGE OF INSURANCE AGAINST ACCIDENTS IN AGRICULTURAL WORK.

That a special law is necessary for the insurance of labourers against accidents in agricultural work is now generally recognized, as the existing law of January 31st, 1904, relating to industry generally and labour contracts, even if it were amended, would not be suitable; but all are not agreed whether the insurance should be compulsory or not, nor in respect to the insurance institutes for the purpose, and the limits of compensation to be granted.

The Central Office of the Senate pronounced against compulsory insurance when reporting on the 1910 bill (Luzzatti-Raineri) but for somewhat too pessimistic reasons. To-day, public opinion has pronounced itself in favour of the protection of agricultural labour and the work of the various institutions now insuring which owe their origin to private initiative, especially the mutual societies, has predisposed the public in favour

of it and has shown how, with small expense, it is possible to succeed in protecting the agricultural working classes against the many serious consequences of accidents in their work.

According as the choice of the insuring institute is left free or it is decided to provide for the compulsory foundation of Insurance Consortiums as proposed in the draft bill of 1913, which may soon be presented in Parliament, the insurance societies working freely in the whole of Italy and the Mutual Societies acting in certain regions, will derive new encouragement or will have to cease working.

The differences are more serious in regard to the compensation and its limits; all the bills examined, as well as the existing mutual societies and the insurance societies, have established fixed amounts of compensation in case of death or of total permanent disablement, without respect to the actual wages of the labourer at the date of the accident, because the wages vary too much at different seasons and often it is too difficult to estimate them, when the victim is a metayer sharing the produce with the landholders; while for the compulsory insurance of industrial labourers the compensation is fixed at 1,500 or 1,800 times the daily wage for accidents causing death or total permanent disablement respectively.

It would be juster to fix the compensation at a definite rate per day for the victim's natural life, as it is not reasonable that the same amount of compensation should be given to a labourer totally disabled by an accident at 25 years of age and one so disabled at 70 years or over.

It is therefore necessary that the law on accidents be brought into harmony with that on thrift and pensions. It must also be settled what degree of disablement shall give claim to compensation. The 1910 bill excluded accidents entailing a loss of capacity of less than 20 %; that of 1913 those causing a loss of less than 16 %; the Mutual Society constituted at Rome excludes those causing a loss of less than 20 %, that of Milan those entailing a loss of less than 10 %. Now it is certain that in agricultural work some bodily injuries do not at all reduce the working capacity; for example, the loss of a finger, of some toes of the left foot, deafness in one ear, impaired vision in one eye; and, hence, it may be well to exclude from compensation accidents in agricultural work entailing the above consequences; but such exclusion must not be carried too far and it would be enough to limit it to 10 % of the total disablement.

There are greater differences of opinion in regard to compensation for temporary disablement: the law of January 31st, 1904 grants it in all the cases to which the law applies, both in the case of industrial accidents generally and in that of accidents occurring in contract work.

All the bills considered, and the Mutual Societies, refuse compensation for accidents causing temporary disablement occurring in agricultural work, but this was asked for by the labourers' associations at the meeting held at Bologna and the Congress held at Genoa also asked for it.

It is certain that some agricultural day labourers are in the same position as the industrial labourers and must lose wages through accidents, and also have greater expenses for medical attendance and medicines and

diet; so that, it is fair they should receive compensation at so much a day while temporarily disabled; the greatest care, however, should be taken to ascertain the real duration of the disablement, which is not a very easy matter, and to prevent fraud and abuse. There is not the same reason for compensating all cases of temporary disablement through accidents to labourers who are metayers, that is members of metayers' families resident on the farm where they work.

They do not suffer a real injury by the suspension of their pay, for the work they are temporarily incapacitated from performing can be done by other members of the family: often, after a period of total disablement, they can undertake lighter work on the farm, such as herding animals, etc.

But there are cases in which the accident causes prolonged total disablement, and necessitates medical and orthopaedic treatment and in some cases it is advisable to help the metayer's family by means of compensation or subsidies and this system has been adopted by the Florence Mutual Society.

Better still would it be if the law on accidents were completed by the institution of local mutual aid institutions, to make provision against disablement occasioned by these accidents, because, such institutions working in a more limited district, will be better able to appreciate the true situation of those who have recourse to them and so prevent fraud and abuse.

The limitation of the compensation to cases involving a certain degree of partial permanent disablement and the exclusion of compensation for temporary disablement have also been advocated in order not to impose too heavy a charge upon agriculture for this act of thrift, the justice of which is recognised, and rather to make the burden as light as possible.

Various calculations all result in a total estimate of more than 12,000,000 frs. for the annual premiums, and, if temporary disablement is also to be insured against, the premiums would amount to 17,000,000 frs. a year.

Let insurance for the present be limited to such accidents as have more serious consequences and experience will show later what amendments should be made to reconcile the noble aims of thrift with the special conditions and requirements of agricultural economy.

NOTICES OF SOME RECENT PUBLICATIONS RELATING TO INSURANCE AND THRIFT.

GERMANY.

JAHRBUCH DES REICHVERSICHERUNGSRECHTS Jahrgang 1913. *Rechtsprechung und Rechtslehre des Jahres 1913 (Yearbook of Imperial Insurance Law. Year 1913. Jurisprudence and Legal Doctrine in 1913)*, Edited by Dr. Hs. Th. SOERGEL, Bavarian Aulic Councillor, with the collaboration of Dr. MENTZEL, Government Councillor in the Imperial Insurance Office and Dr. STÖCKER, Administrative Director. Berlin, 1914. 16mo. pp. VII + 171.

The legal decisions in questions of the insurance of labourers were included in the wellknown Yearbook of Jurisprudence in relation to Administrative Law (*Jahrbuch der Rechtsprechung zum Verwaltungsrechte*). As a result of the approval of the Imperial Insurance Code (July 19th., 1911) (*Reichsversicherungsordnung*), the law on the Insurance of Employees (*Angestelltenversicherungsgesetz*), the foundation of the superior insurance offices (*Oberversicherungsämter*) and above all of the Insurance Offices (*Versicherungsämter*) as independent bodies, however, it was decided to publish the part of the Yearbook relating to insurance separately from date of 1912. The volume before us is the second number of the new Yearbook of Imperial Insurance Law and relates to 1913. However, the alphabetical index covers the two years, so that the student may quickly see whether a judgment has been given in relation to any particular question during these two years. The volume for 1913 gives first of all the points of legal doctrine and jurisprudence relating to the Imperial Insurance Code. Then the law bringing into force the Imperial Insurance Code (*Einführungsgesetz zur Reichsversicherungsordnung*) is illustrated from the point of view of legal literature and the decisions of the courts. After a few remarks in illustration of the Order of December 24th., 1911 relating to the course of business and the procedure of the Imperial Insurance Office (*Verordnung über Geschäftsgang und Verfahren des Reichsversicherungsamts*), other orders relating to the course of business and the procedure of the Superior Insurance Offices (*Verordnung über Geschäftsgang und Verfahren der Oberversicherungsämter*), to the course of business and procedure of the insurance offices (*Verordnung über Geschäftsgang und Verfahren der Versicherungsämter*), to the emoluments of the advocates in proceedings conducted before the insurance authorities (*V.O. betr. die Gebühren der Rechtsanwälte im Verfahren vor den Versicherungsbehörden*) and the law for the repeal of the law on mutual aid societies, of date of December 20th., 1911

zur betr. die Aufhebung des Hilfskassengesetzes), the Yearbook goes on to give a long commentary on legal doctrine and forensic practice in connection with the law of December 20th., 1911 on the insurance of employees (*Versicherungsgesetz für Angestellte*).

UNITED STATES.

INSURANCE LIBRARY ASSOCIATION OF BOSTON BULLETIN. Vol. IV, Nos. 1 and 2, January and April, 1914. Boston, 1914. Two pamphlets, 16 pp. and 35 pp.

The Insurance Library Association was founded in 1887 mainly through efforts of Mr. Henry E. Hess, at that time President of the New England Insurance Exchange. Its objects, as set forth in the articles of association, are educational. It was "to acquire and hold books, maps, plans, surveys and papers relating to insurance and general literature and science, and to publish, fit, furnish and maintain a suitable place for a reading room, library, and for social meetings."

The Association, in fact, devoted itself from the first to the formation of an insurance library, and at the present time owns between six and seven thousand volumes, as well as a large and unique collection of pamphlets, documents, maps, and engravings, relating for the most part to fire insurance or to fire prevention.

The *Bulletin* is a quarterly publication which records the work of the Association and contains a cumulative index of books and current articles on insurance and related subjects. The number for April, 1914, (Vol. IV, No. 2, indicated above) contains a short historical sketch of the Association and an account of its present activities.

ITALY.

OPERAZIONI DEGLI ISTITUTI DI ASSICURAZIONI IN ITALIA NEL 1912. *Annali del Credito e della Provvidenza* (Operations of the Insurance Institutes in Italy in 1912. *Annals of Credit and Thrift*, Series II. Vol. 8. Department of Agriculture, Industry and Commerce. General Credit and Thrift Office. Rome, Tip. L. Cecchini, 1914. PP. 213).

This is a very useful statistical study on the work of the Italian Insurance Institutes in 1912, which has been published in the *Annals of the General Credit and Thrift Office*. The information, derived from the balance sheets of the various Institutes and from information directly supplied

by them, is grouped according to the branch of insurance and the nationality of the societies. From it we may see how considerable has been the increase of the number of insurance societies in Italy, which may be considered as not merely indicative of a more complex and perfect economic life, but also of increased national wealth.

The volume concludes with statistics of the insurance societies of principal foreign countries. The figures have not all been arrived at the same system and, consequently, a comparison is not always possible; however, they provide material that may be studied to advantage.

Part III: Credit

UNITED STATES.

THE MOVEMENT FOR AGRICULTURAL CREDIT IN THE UNITED STATES.

SOURCES:

- AGRICULTURAL CO-OPERATION AND CREDIT IN EUROPE. INFORMATION AND EVIDENCE SUPPLIED BY THE AMERICAN COMMISSION. Senate Document No. 214. Part 1, European Evidence; Part 2, Bibliography; Part 3, American Evidence. Washington, 1914.
- REPORT OF THE AMERICAN COMMISSION FOR INVESTIGATING IN EUROPEAN COUNTRIES CO-OPERATIVE AGRICULTURAL FINANCE, PRODUCTION, DISTRIBUTION, AND RURAL LIFE. Senate Document No. 261. Part 1, Observations; Part 2, Minority Report: Observations and Recommendations. Washington, 1914.
- RURAL CREDITS. JOINT HEARINGS BEFORE THE SUB-COMMITTEES OF THE COMMITTEES ON BANKING AND CURRENCY OF THE SENATE AND OF THE HOUSE OF REPRESENTATIVES CHARGED WITH THE INVESTIGATION OF RURAL CREDITS. Washington, 1914.
- RURAL CREDITS. HEARINGS BEFORE THE SUB-COMMITTEE OF THE COMMITTEE ON BANKING AND CURRENCY OF THE HOUSE OF REPRESENTATIVES CHARGED WITH PLANS FOR THE DEVELOPMENT OF RURAL CREDITS IN THE UNITED STATES. PAGES 1 TO 8. WASHINGTON, 1915-14.
- BILL S. 2909, "NATIONAL RURAL BANK ACT." Washington, 1913.
- BILL S. 4246 "NATIONAL FARM LAND BANK ACT." Washington, 1914.
- BILL 4961, FOR THE ESTABLISHMENT OF A BUREAU OF FARM LOANS. Washington, 1914.
- BILL S. 5512, "FEDERAL FARM LOAN ACT." Washington, 1914.
- THE RURAL CREDIT MEASURE. Letter to Sen. Duncan U. Fletcher, by David Lubin, International Institute of Agriculture. Rome, 1914.

In the May issue of this Bulletin (Vol. 41, Year 5, No 5) an account was given of the work of the Commissions appointed in the United States to investigate agricultural credit and co-operation in Europe, as set forth in Part I of the American Commission's Report (S. D. 214, Evidence), and

in the Report of the United States Commission, together with a summary of the National Farm Land Bank Bill (S. 4246).

Since that article was published the American Commission has issued Part 2 of its Report, *Bibliography*, and Part 3, *American Evidence*. This latter section consists of statements by Committees appointed at the request of the American Commission by the Governors of several States to report on their agricultural conditions in reference to credit and co-operation. Replies were received from Alaska, Arizona, Connecticut, Delaware, Georgia, Idaho, Illinois, Indiana, Kentucky, Maine, Minnesota, Mississippi, Montana, New Jersey, New Mexico, North Dakota, Oklahoma, Oregon, Rhode Island, South Carolina, South Dakota, Tennessee, Texas, Utah, Washington, West Virginia, and Wisconsin. Several other states promised reports which did not come to hand in time for publication.

§ 1. THE CREDIT NEEDS OF THE AMERICAN FARMER.

These reports, supplemented by information supplied by Dr. Carver and Mr. C. W. Thompson of the United States Department of Agriculture and other witnesses at Hearings before the Sub-committee of the Committee on Banking and Currency of the House of Representatives, charged with plans for the development of Rural Credits in the United States, give a comprehensive view of the requirements of the American farmer. All lay stress on the need for an organised system of rural credit, more especially for long-time land mortgage credit, whereby the land owned by the farmer could be converted into a sound liquid security on which he could raise loans, of at least 20 years duration, at rates not to exceed $5\frac{1}{2}$ per cent. with the amortisation feature, hitherto practically unknown in America. They show that in large sections, more especially in the Southern and Western States, it is very difficult for the farmer to get long-term mortgage loans at all, that the direct interest on first mortgage loans (average for 30 states) amounts to $7\frac{1}{13}$ per cent. and the prevailing duration of the loan is for 5 years. This interest rate varies from 5.3 in Pennsylvania to 10 per cent. and more in Arizona and North Carolina. To this must be added heavy charges for commission and expenses incidental to the mortgage which often more than double the interest rate. The sources of farm mortgage loans are stated to be private banks, private individuals, insurance companies (through local brokers or local banks who act as brokers), estate or mortgage firms; also State banks. Besides these sources, farm mortgage loans are also made by certain States out of the school funds. In this way Oklahoma loans \$ 4,000,000 at 5 per cent. for amounts up to half the value of the land mortgaged. Oregon loans \$ 5,000,000 at 5 per cent. and one third is the fraction of value it is allowed to loan. South Dakota loans \$ 6,000,000, one-third is the fraction of the value of the land and 5 per cent. the interest. Utah loans \$ 1,000,000 and runs the highest on security, two thirds; the interest rate is 6 per cent. North Dakota makes such

ans at 5 and Indiana at 6 per cent. Idaho loans \$ 1,500,000 at 7 per cent., security one third of the value of the land. School funds are also loaned to farmers in Minnesota and Texas. The losses sustained on such loans are said to be insignificant but the money available for this purpose is limited and inadequate to the needs.

The evidence adduced indicates that the above mentioned sources of mortgage credit are insufficient to meet the needs of the farmers. The high initial rate of interest, when increased by commission fees, expenses incurred in proving the title, etc., and renewal fees is excessive, and the life of the loan too short. There is a wide-spread demand for the organisation of land-mortgage banks or co-operative farm mortgage associations, with power to issue bonds against the mortgages held, and subject to government inspection and control. In response to an enquiry made of farmers all over the country by the United States Department of Agriculture the average rate suggested for interest and amortisation on such loans was 11½ per cent.

This need once ascertained and recognised, and the evidence on European mortgage-credit systems collected, compiled, and made available to the public in Senate Document 214, the American Commission proceeded to draw up its Observations and Recommendations (S. D. No 261) consisting of Part 1, the Majority Report, and Part 2, the Minority Report.

§ 2. THE AMERICAN COMMISSION'S REPORT.

After a brief review of "General Agricultural Conditions in Europe," the Majority Report examines the result of its European enquiry in relation to American conditions. It states that the farmer needs more capital than he now commands owing to the increase in land values and cost of equipment, and the growing need of developing intensive farming. In modern business credit must supplement cash, but farm credit, to be advantageous, must be "productive and provident." "Farmers may want to speculate and consequently to borrow money on land with the expectation that the land will rapidly rise in value. This is an abuse of credit in agriculture and should be discouraged in every possible way." At the same time "to refrain from borrowing may be as uneconomical as to borrow for the wrong thing." Inflated land values are an obstacle to agricultural credit and "any adequate system of farm credit must make it difficult to borrow on farm land except at its true value and chiefly for productive uses."

How is this borrowing to be done? The report says: "If we can not find financial institutions, or modifications of them, at the outset it is far better than to experiment with a new kind of institution... It would be unwise for our own farmers to throw aside the practical assistance and counsel of the bankers, at least until the farmers find that they are being exploited and that they can run their own banking business better than they

can utilise the bankers' bank." But rural credit is not the same as credit, and the banker has not the means of knowing the individual farmer as he knows the individual business man who has a recognised reputation. Singly the farmers are "small men;" only if well organised can they be a formidable and powerful body. Moreover the farmer has special needs and is unable to make frequent payments. "This seems to be an argument for a local or community bank that serves the farmer, that understands him better than anybody else, and that makes a link between the need for credit and the people who have money to lend. This may be simply the existing bank adapting itself to the farmers' need; or it may be a separate institution managed by the farmers themselves."

After stating that nearly all European governments give financial assistance to agriculture in some form, the Report goes on to say, "Nevertheless, it is the opinion of the Commission that our American problem of rural credit should be worked out without Government aid... Under a system of credit the land itself is the very best security for borrowed money and the safest system is one that stands on its own feet.... The Government should help bring about a better system of rural credit by legislation but not by subsidy... The very best system of credit is built up only by landowners who manage their own farms. The rapid increase of tenant farming in the United States is becoming an alarming condition. It is a factor for poor farm practice, poor farm business, and a poor farm community."

The essentials of long term rural credit are then briefly laid down. The loans must be for a long period of years and the amortisation factor is an absolute essential. Moreover, "European farmers have found that if they pool their securities they can get much better terms from capital markets. regards the rate of interest, the length of loan, and the terms of payment. But in order to make collective security workable there must be some form of paper which represents this collective security. This paper in Europe is the land mortgage bond.. bought and sold in the market just like government bonds or railroad bonds." "In order that these bonds should have not merely a local sale but a standing in the general market it is very desirable at least that all the States should enact uniform and proper laws concerning the registering or guarantee of titles at minimum cost and simple and uniform method of foreclosure; if possible, uniformity of exemptions from debt."

"It has been estimated by competent authorities that about \$ 2,000,000,000 are now invested in farm mortgages in the United States and the amount is constantly increasing. The first task before a new system of land-mortgage banks is to get this investment relet under better terms to the borrower, and perhaps even fuller security to the lender." At the end of the Report under the heading of long-term credit concludes as follows: "A system of land-mortgage banks would seem to be the best way to give the farmers of America to gain greater facilities for long-term credit. Whether these should be State institutions or should be chartered under a national law may be open to question. The Commission is inclined to coincide with the views of the United States Commission favouring a

all law and charter and supervision, with operation of the land mortgage banks in any State restricted to that State."

The conclusions of the Report on the whole field of enquiry are summarised as follows:

(1) The experience of 30 years by a dozen European countries has demonstrated beyond all question the decided advantages to the farmers, the consumers as well, of the co-operative or collective method of doing business incident to agriculture — whether in obtaining credit, in buying, in selling, or in manufacture of food products such as butter and cheese — over the older but much less effective method of purely individual business activity.

(2) For nearly the same period, in America, farmers have experimented with the co-operative method. There have been many failures. To-day the conspicuous success of co-operation in the selling of fruit and vegetables, in butter making, in establishing grain elevators, and in organising supply stores, indicates that collective farm business is feasible in America as well as in Europe.

(3) The great and rapid increase in the cost of living, the continued desire of farmers to receive what they consider their just share of the price of their products, the growing belief in the defects of the individualistic method of farm marketing and exchange, and in the need of substituting therefore the co-operative or collective method — these and other causes have contributed to a renewed interest among American farmers in the subject of agricultural co-operation, and a realisation that, as Europe can teach us many valued lessons in the agricultural field, American farmers, as co-operators, must work out their own economic solution, not with fear and trembling, but with courage, faith, care and persistence.

(4) One of the most pressing economic needs of American agriculture is the opportunity to secure, on better terms than at present prevail, the necessary credit demanded by modern conditions of farming. In order that there may be a uniform and nation-wide system of long-term credit, it would seem wise to secure the enactment of a federal law permitting the organisation of farm-land banks, either on the joint-stock or the co-operative plan, authorised to issue long-time bonds secured by farm mortgages, required to do business on a narrow margin of profit, to allow payment of principal on the amortisation plan, and carefully and fully supervised by the Federal government. There is no objection whatever to the enactment of proper legislation by the different States for this same purpose.

(5) In case the existing system of banks — national, state, savings, and private — is not able or not disposed to grant farmers increased and more liberal facilities for procuring short-time loans, there should be enacted State laws permitting the organisation of co-operative credit associations by means of which the farmers of a given community may be enabled to meet their own needs for short-term or personal credit.

(6) Every encouragement should be given the movement for organising other forms of co-operative endeavour among farmers. This movement should proceed cautiously but rapidly. The main reliance of the American farmers in meeting economic disadvantages and handicaps must be their own intelligence and their capacity for united action.

(7) In order to forward the co-operative movement, it is wise to form a voluntary National Committee on Agricultural Co-operation, to serve as a propagandist and educating body — a clearing house, in fact, for the nation as a whole — with respect to all phases of agricultural co-operation. Eventually the various co-operative organisations will form their own national federation or union.

(8) All farmers and friends of farmers must not fail to look at all sides of the rural problem and to look at it as a whole. Improvement in farm practice, improvement in farm business, and improvement in farm life are all important. In some respects the last is the most important.

(9) In any event the underlying need in American agriculture is an organisation in every farming neighbourhood in the land a well-considered co-operative effort for making that community in all respects — in its farming and in the life and character of the people, — the best possible neighbourhood. This is rural community building.

(10) In order to give a national scope and direction to the campaign for rural community-building, there should be organised a National Committee on Rural Federation, whose task would be to hold national conferences on rural progress, to seek to unify or correlate the many important and useful agencies already at work for rural advancement, and to give direction to the ultimate welding together, in one great forward-looking movement, of all the forces designed to insure on American soil better farm practice, better farm business, and better farm life.

§ 3. THE MINORITY REPORT.

The Minority Report signed by 6 out of 68 qualified members, argues in the first place that farmers' co-operative banks or credit unions are not required for short time personal credit. These needs, it claims, are adequately attended to by the existing country banks of which it is stated there are in the United States one for every 4,000 persons. The report also urges that these existing country banks should be made the nucleus for a system of long term mortgage credit described as follows:

It is proposed that the farmers co-operate with the stockholders in banks in rural communities in the organisation, in their respective localities of small-unit, land-mortgage associations with a minimum capital of \$ 10,000; each association to be organised upon the share-capital plan, co-operative or non co-operative as might be desired. The association is to become affiliated with and have close inter-relationship with the rural bank, which may be owned by some of the same shareholders, in that

may have its office with the affiliated bank and be officered, managed, and directed by some of the same men.

It is clear that no small local unit could have sufficient financial strength to place its securities in the market. It is therefore proposed to federate a considerable number of such locals in a given State by organising a central body in some commercial centre of that State.

It is proposed that each local shall invest a percentage of its own capital in the capital of the Central, keeping the balance of its own capital for the purpose of making loans, to be sent to the Central with the indorsement of the local when funds are needed for the purpose of meeting new applications.

The locals should not be permitted to issue bonds running for a long time. There should be a limit as to the maximum amount of any one loan to be made by any local, say not exceeding 20 per cent. of its own capital and surplus. All loans should have the amortisation feature, giving the option of time limit not exceeding 30 years.

Such land mortgage associations should be prohibited from receiving deposits, except savings, and the total amount of such savings deposits that may be held at any one time should not exceed 50 per cent. of the capital and surplus of each association.

The Central alone should have the power to issue bonds or debentures, to be secured by the collective mortgage loans, made on the amortisation principle, on productive farm property, received through and having the indorsements of the different locals. When the Central receives loans aggregating a given amount, say one half of its own capital stock, it would be empowered to issue a series of bonds or debentures against such mortgage loans.

The report claims that by this plan would be built up an aggregate of diversified, well-secured, and indorsed mortgage securities, not dependent upon conditions of any single locality, against which the bonds would be issued and which should find a ready market and command the cheapest possible rate of interest, for this bond would have behind it: (1) the signer of the original loan; (2) the combined judgment of the local banker and his farmer associates as to the desirability of the signer as a borrower and as to the value of his security; (3) the land itself upon which not exceeding 50 per cent. of its value would be loaned; (4) the indorsement of the local and the moral obligation of the bank with which such local is affiliated; (5) the double liability of the holders of the capital of the locals protecting all loans indorsed to the Central by the locals; (6) the judgment of the officials and executive committee of the Central and its rechecking of the securities; (7) the capital of the Central.

The Minority Report concludes by expressing the opinion that a new division of State banking would be found unnecessary, and says: "Should national legislation be deemed advisable at this time, it would probably be necessary to create a new division of banking, putting the Secretary of Agriculture on the Federal Board of Control... While some preference is expressed for State charters, the subscribers hereto would not oppose an

effort to create a national law granting charters under Federal Government, somewhat along the lines of tentative suggestions herein contained."

§ 4. THREE MAIN TENDENCIES.

While the Commissions were busy preparing their reports, Congress was also at work. An effort was made to tack on farm credit legislation to the recently enacted Currency (Federal Reserve) Bill, but this was abandoned in favour of special and separate legislation to meet the credit needs of the farmers. Sub-committees of the Committees on Banking and Currency, under the Chairmanship of Senator Hollis and Representative Bulkely, were appointed, charged with the investigation of rural credits. These Committees have examined the many rural credit bills introduced into the House, and have held a series of "Hearings," extending over several months, during which some fifty witnesses have appeared to give evidence. In this way experts and students of rural credit, farmers, bankers, and prominent business men representative of all shades of opinion, have had an opportunity of expressing their views on this subject.

In the first place it has been clearly recognised that the needs for long-term mortgage credit and short-time personal credit cannot be provided for under the same measure, as had at first been attempted in Bill S. 2909, and the evidence collected shows that much the more pressing need of the American farmer is for long-term, land-mortgage credit which would allow of the purchase and improvement of farms. It is to satisfy this need that the measures we shall examine have been framed.

A review of the evidence secured by the sub-committees reveals three main tendencies governing the attempts to frame rural credit legislation:

(1) the tendency in favour of joint-stock, land-mortgage banks, run for profit, but placed under government inspection and control;

(2) the tendency in favour of the government's making direct loans to farmers;

(3) the tendency in favour of co-operative land-mortgage associations, subject to Government regulation and safeguard but without government guarantee or subsidy.

The bills framed in accordance with the first of these tendencies would provide for land-mortgage banks, issuing bonds against long-term mortgage loans, made at a competitive rate of interest, and with the amortisation feature. The bonds would be secured by the banks which would be federated in State groups (some favour centralising these State Banks in a National Bank, but this feature has not been insisted upon) and the banks would hold as security the mortgages. This current does not favour government guarantee of the bonds, but only government inspection and safeguard, and would make the granting of charters to these banks subject to federal law. Several bills along these lines have been drafted, but the most representative of this group is the Fletcher-Moss "National Land

Bank Bill," drafted by the United States Commission and already reviewed in this Bulletin.

The United States Commission Bill has, however, met with strenuous opposition on the part of organised farmers, represented by such bodies as the National Grange, the Farmers' Educational and Co-operative Union of America, and so forth, who stand for the second tendency.

The National Grange, at its last general meeting at Manchester, New Hampshire, in November 1913, passed the following resolution:

Resolved, that it is the opinion of the National Grange that any legislation for the purpose of bettering farm credits is a part of the national policy of conservation of food supply, and as such the Government of the Nation should itself carry out this policy, and it cannot properly be delegated to private capital for general exploitation and profit.

Resolved, that any farm credit association which receives any privileges by or under State or Federal law should be composed of farmers and not of capitalists of high finance who have heretofore dominated agricultural credit and created conditions which now demand relief.

Resolved, that any farm credit plan which does not include a direct reduction of the prevailing rates of interest, as well as a long term of small annual payment upon farm-mortgages, will not meet agricultural requirements.

Resolved, that the Government of the United States should borrow money at a rate of interest not to exceed $3\frac{1}{2}$ per cent. and lend the money at a rate not to exceed $4\frac{1}{2}$ per cent. to the farmers upon long time farm-mortgages with such restrictions as may be necessary to make the Government perfectly secure, and the profit to the Government to be expended in road improvement or for some other object that will benefit the whole people.

§ 5. BILLS INTRODUCED.

To give satisfaction to the wishes above set forth several bills have been framed. Some have been set aside and qualified as "wild cat finance" such as Bill H. R. 8835 calling for "the issuance of legal-tender Treasury-notes of the United States, redeemable in gold coin or its equivalent, to be secured by the deposit in the Treasury of outstanding bonds of the United States or first mortgages upon agricultural lands, not exceeding sixty per centum of the value of such lands, exclusive of improvements, and for the raising of the Treasury notes so secured to the owners of the security at two per centum interest, payable semi-annually, and for other purposes." Similar in intent and purpose is Bill H. R. 11755, which would provide for direct loans by the Government to persons who desire to engage in agriculture, to be made by issuing Treasury certificates, recognised as legal tender, against the security of mortgage loans.

These proposals for setting the printing-press to work to provide "cheap money" have been discarded, and the Bill complying with the wish expressed for direct government loans to farmers which has received serious consideration is that known as the Norris-Bathrick Bill (S. 4061). This bill had the support of the National Grange and the Farmers' Union.

The Norris-Bathrick Bill provides for the establishment in the Department of Agriculture at Washington of a Bureau of Farm Loans to loan money on farm lands, secured by mortgages. The debt would bear interest at the rate of 4 per cent. per annum and no loan would be made on less than 10 acres of land nor for more than \$ 2,000. The entire mortgage would mature in 10 years, one-fifth being repayable after the first five years, and the remainder in yearly instalments. Only persons actually engaged in farming could make such loans, which could not exceed one-half of the value of the land mortgaged. Loans could be obtained for the three following purposes: first, to make payment of part of the purchase money of the land mortgaged; second, to pay off an indebtedness existing against the land; third, to build improvements on the land; and there is a proviso that under proper rules and regulations the bureau can permit 50 per cent. of the loan to be used for the purchase of stock and farming implements. To safeguard the loan it is proposed that local post-masters, post-office inspectors, deputy United States marshals, and other local government officials should be required, on request, to draw up confidential reports to the Farm Loan Bureau on applicants for loans and on appraisements made by certified appraisers. Should the borrower fail to pay his taxes, to improve his land, or to use the money for the purposes set forth in his application, the government Farm Loan Bureau could foreclose the mortgage. To secure funds wherewith to make these loans the Farm Loan Bureau would issue United States bonds payable in ten years, and drawing 5 per cent. interest. The framers of this measure express the opinion that if it were enacted the money coming into this bureau would mostly be subscribed by the small investors in the communities in which the loans would be made.

The cry for direct subsidies to the farmers by means of such loans as those provided for in the above bill is, however, strenuously opposed by President Wilson, by the Secretary of Agriculture, and by a large and powerful section of public opinion. It is claimed to be contrary to American traditions, which run counter to "class" legislation, and its opponents consider it would neither be good finance nor good policy. It is contended that if rural credit is required, the investing public, not the Government should supply the money needed by the farmers and the security of the bond should be the land itself on which the mortgage is given and not such supposititious guarantee.

Taking these facts into consideration the Senate and House Subcommittees on Rural Credit have jointly framed a bill (S. 5542) which attempts to meet the needs of the farmers without running counter to the fundamental principles above set forth. This measure, known as the "F

and Farm Loan Act," was described by Senator Hollis at a "hearing" of the sub-committees (July 23rd., 1914) as being, roughly, as follows:

"To have local units called 'farm loan associations,' whose sole function will be to issue loans on first mortgages on farm lands for certain specified purposes. These local units will be somewhat like building and loan associations in their scope. They will not have regular banking rooms; they will not take deposits; they will not do a chequeing business... Their sole function will be to make only good loans and then to 'rediscount' those loans, so to speak, with a Federal land bank. The plan is to have a Federal land bank in each Federal reserve city, so there will be a dozen of them. These land banks will obtain their capital by having 10 per cent. of the capital of the farm loan associations. They are to take farm loans from the local associations and then make those farm loans the basis for an issue of farm loan bonds. The local associations and the land bank are to divide between them 1 per cent. annually on the outstanding loans, so that we may have that the expenses are limited to 1 per cent."

The bill provides that the capital stock of each national farm loan association shall be not less than \$10,000 divided into 25 shares. No person shall be permitted to borrow funds unless he first become a member of such association. The directors of every such association shall appoint no more than three members to serve on an appraisement committee, the third member to be appointed by the directors of the Federal land bank of the district. The loans are to be secured by first mortgages on farm land within the farm loan district, and to be paid off by amortisation. The mortgages are to be for periods from 5 to 30 years, and after the first five years may be paid off at any date at the option of the borrower. The rate of interest is not to exceed the legal current rate of interest in the state in which the association is situated, and the loans may be made only for the following purposes: (a) to liquidate indebtedness previously incurred by the owner of the land mortgaged; (b) to provide for the improvement of farm lands; (c) to provide for the purchase of equipment and live-stock; (d) to provide for the purchase of a farm home. No such loan shall exceed 50 per cent. of the value of the land mortgaged and 25 per cent. of the value of the buildings thereon, and loans may only be made to *bona fide* residents on the farms mortgaged, primarily engaged in the cultivation thereof. No such loan may exceed a maximum of \$4,000 to any one borrower, and the purposes for which the loan is required must be stated on application. The borrower must pay all taxes due on the lands mortgaged and to insure all buildings thereon, and must enter into an agreement that if the loan be expended for purposes other than those specified in the application the said loan shall become due and payable forthwith.

The farm loan associations of each Federal land bank district shall unite to form the Federal land banking association of the said district. Such Federal land banks, before beginning business, must have a subscribed capital of not less than \$500,000. Their purpose is to issue, subject to the approval of the Federal Reserve Board, and to sell farm loan bonds and

to invest such funds as may be in their possession in the purchase of farm mortgages on real estate situated within the Federal land bank district.

This whole system of farm loan associations and federal land banks is to be placed under the control of a Farm Loan Commissioner to be appointed by the Federal Reserve Board. Said Commissioner shall appoint appraisers, one or more of whom shall visit at stated periods every national farm loan district and make a general report regarding the values of the lands therein situated. The Farm Loan Commissioner shall apply to every Federal land bank a schedule stating maximum acre valuations for each national farm loan district, which valuations shall not be exceeded in making the loans.

In order to satisfy the urgent claim of the farmers that the Government itself should assist in financing rural credit, a feature has been introduced into this bill which is objected to by many. This provision is that the Federal Reserve Board may, at its discretion, require the Treasury Department to purchase a certain amount of farm loan bonds yearly, not exceeding \$ 50,000,000 in any one year. Senator Hollis commenting on the provision remarks :

" It is believed by the friends of this bill that that will give the bond a standing in the money markets of the world... There is a very large contingent in this country, including the granges, that have wanted direct Government loans ; that is loans from the Government direct to the farmer at a low percentage... We had that very considerable element in mind when we agreed on this Government-aid feature; because we knew that they would not be satisfied with anything less than we have put into the bill, and since the bill has been introduced the legislative committee of the National Grange has approved the bill with that feature in it."

§ 6. CO-OPERATIVE LAND MORTGAGE ASSOCIATIONS.

We thus see that the recommendations of the sub-committees, as embodied in this bill, would provide a half-way-house between joint-stock land mortgage banks and purely co-operative land-mortgage associations but there is a growing current of opinion which would see in the organization of such associations, modelled closely on the pattern of the Prussian *Landschaft*, the best solution of the problem of land-mortgage credit in the United States.

At a " hearing " on July 23rd, 1914, Mr. David Lubin (to whose initiative the present movement for co-operative rural credit in America is mainly due) appeared, at the request of the Sub-committees, to outline an adaptation of the *Landschaft* system to meet American needs. Mr. Lubin briefly described such a system as one under which an association of borrowers pools its security, the lands of its members, and accepts mortgages on these lands against which it issues bonds, handing the same to the borrowing members for them to sell on the open market. Such a co-operative

Land-mortgage association on the *Landschaft* plan is not in any sense a bank, co-operative or otherwise, but merely acts as an unpaid intermediary between the land-owner and the investing public, to whom it affords the security not of any one particular piece of land, but of all the lands held in mortgage by the *Landschaft*. Mr. Lubin pointed out that this system of rural credits is the most economical, as it does away with all toll-gatherers between the farmer and the bond-purchaser, and it is also the safest, providing that, as in Germany, it work under the following safeguards:

- (1) proper legislation to obviate all possibility of dispute as to title in the land mortgaged to the *Landschaft*;
- (2) in case of default, the *Landschaft* must be able to foreclose the mortgage without lengthy legal proceedings. In Mr. Lubin's words: "When the *Landschaft* takes the mortgage of a farmer and gives him the bonds, that mortgage becomes a judgment on the land;"
- (3) most important of all, the appraisement of the land must be absolutely trustworthy and so safeguarded as to command the full confidence of the investing public, for the only security behind the bond is the value of the land mortgaged, the best of all security when conservatively and reliably appraised, and used as the basis of a loan not to exceed two thirds of its appraised value.

With reference to the two first of these three essential requisites for the *Landschaft*, and indeed, for any sound system of land-mortgage credit, the evidence gathered both by the Sub-committees and by the American Commission shows that there is at present great diversity in the laws on land-titles in the several States, giving rise to frequent litigation and entailing heavy expense on the borrower; that there is diversity in the laws regarding the foreclosure of mortgages, which in many States require lengthy, tedious, and expensive procedure; and further that obstacles exist in the various State laws on homestead and other exemptions.

It is, moreover, contended that it would be unconstitutional for the Federal government to enact legislation regulating land-titles and foreclosures in the several States, and on the other hand, in the words of Senator Hollis, it would be "almost impossible to persuade the States to pass such a law as would give indefeasible title."

To this Mr. Lubin, at the "hearing," replied:

"The Government of the United States has no power to coerce any State to adopt this law or repeal that law in relation to a title. I do not think that a State has any power to coerce the United States along the same lines. But the United States, I think, has ample power to pass an act which will say: Under this act we will issue charters; whatever States desire charters may have them, provided that section—of this act shall be complied with; that is, put in operation. Well, this law is passed, and only one State in the Union can operate under this law, and that is, say, Iowa. Iowa starts a *Landschaft* and issues bonds; it becomes known to the people. The bonds are sold; immediately subscribed for; taken up. The result is that Michigan, for instance, wants the same law; wants the same charter; they

apply to the United States Government for a charter. The Government says to them, 'We cannot give you one; your State has to pass these laws in order to get a charter.' And in this way the United States can wait patiently until all the States of the Union are in line, and if they want charters they can get them; but they must comply with the law, and there is no compulsion at all; whenever the States do this they can get the charter."

A provision along these lines, to the effect that the Federal Government would only issue charters to land banks in those States which complied with certain requirements as to registration of title and power of foreclosure, is embodied already in the Moss-Fletcher Bill, and would seem to cover the needs of the case. Some States, amongst which are Massachusetts, California and Illinois, have already adopted legislation on the lines of the well-known Torrens land-registration act, and it is said could easily comply with the foreclosure requirements of the Landschaft system. If the bill were to work well in such States, there is little doubt that others would follow their lead and enact the requisite legislation.

§ 7. THE QUESTION OF APPRAISEMENT.

But the most vital point of all in the matter of safeguarding is the value which can be attached to the appraisements of the land mortgaged for on this the soundness of the bond must ultimately depend, whatever the intermediate guarantees given by banks or even by government.

Both the Fletcher Bill and that recommended by the Sub-committee provide for appraisement committees, to be appointed, under Bill S. 422 by the Board of Directors of each National Farm Land Bank, and under Bill S. 5542 by the Board of Directors of each National Farm Loan Association, to act conjointly with a third member appointed by the director of the Federal Land Bank. The Norris Bill, S. 4061, would have appraisers appointed by the Bureau of Farm Loans, which may call on local post-masters to do the appointing. Under these bills the loans would be made on the basis of appraisals thus secured. Would this system adequately ensure the reliability of the appraisal?

Under the Landschaft system the valuation is first made by appraisers selected amongst the members of the Landschaft itself, then controlled by some outside authority such as a government Professor of Agriculture and finally is gone into by the Royal Commissioner appointed by the King of Prussia to watch over the working of the Landschaft. Moreover, in Prussia there are very accurate official estimates of the income derived from the land, drawn up for purposes of taxation, and these are used as a basis in making the valuation.

The evidence gathered by the Sub-committees indicates that the assessment of land for taxation purposes in the United States could not afford a similarly reliable basis for appraisement. One of the witnesses examined

Mr. von Engleken of Florida, stated for instance that a farm of his for which he had refused \$18,000, calculating the value on the basis of five years' income derived therefrom, is assessed at a valuation of \$8000, and the lack of due relation between land assessments and the real value of the farms was generally admitted. But the same witness, above quoted, expressed the opinion of many when he said, speaking of these rural credit bills:

The weakness is that you have no check on the appraisalment of the property, and unless you can assure the investor there has been some real check on the optimism of the farmers in appraising the land, you will never be able to float the bonds." Replying to a question: "Don't you think you could get more than 60 for an 8 per cent bond?" he replied: "I do not believe that you could, unless there had been conservatism in the issuing of that bond and in appraising the property."

What should such a check consist in? As opposed to mere reliance on the control exercised by officials appointed by the Federal Government, Mr. Lubin, at the "hearing" before the Sub-committee, said:

"What is the merit of the Landschaft? The merit is that the appraisalment has been done thoroughly and conscientiously. In the proposed adaptation of the Landschaft system to the United States I have made one amendment or modification: the rest is the same as in Germany. The modification that I refer to is one of publicity... I do not trust seven men to appraise the land because they might be all assembled around a table in a poker game and they might say, 'We will appraise that land at \$100 an acre,' although it might not be worth more than \$4 an acre; and there would be lots of bonds issued in one State, say Pennsylvania or Kansas, for example, which would be sold out in Oregon or Florida, which maybe is a very good trick so far as those gentlemen are concerned. They may thus float bonds for \$100 an acre on land that is worth \$4 an acre. And the borrowers can say: 'Well, you can foreclose this afternoon if you want to.' Well, what are you going to foreclose in such a case, when there is \$100 an acre borrowed on land that is worth \$4? There is nothing to foreclose on; you have been humbugged, cheated, robbed. So I do not trust that kind of proposition... And now as to the publicity on appraisements, I would like to have a hearing committee in every Landschaft district; and the appraisements should be printed and hung up in the post-office, the butcher's shop, the grocery-store, the courthouse, and other public places prior to the hearings. The public would have a right to attend the hearings on the appraisals. Suppose a farmer has put his land in at a valuation of \$40 an acre. Some of the oldest inhabitants would say: 'If it is worth that much, how does it come that last year he sold so many acres of that land for such and such a price? That man is lying.' That would be the result of publicity; it would force out the truth."

§ 8. NEED FOR NATIONAL ORGANISATION.

What has so far been said shows the wide-spread interest aroused throughout the United States in the movement for rural credits which was

started in April, 1912, at the Nashville Conference, summoned by the Southern Commercial Congress, and addressed by Mr. David Lubin. The preliminary work towards building up a sound system of long-time rural credits in America has, as we have seen, been to a large extent accomplished, but the last word in framing legislation has not yet been said, and it is doubtful whether any of the bills so far introduced will be enacted in their present form. There is a wide-spread feeling that a pre-requisite to the successful organisation of rural credits would be effective economic organisation of the farmers. On this head the American Commission in the section of its Report entitled "Observations" remarks:

"No one knows just the best method of accomplishing this, but a plan is being tried in some parts of the country that is worth suggesting at any rate. It is as follows:

"Organise a council in each rural neighbourhood the boundaries of which are agreed upon. This council is made up of representatives of all of the associations and institutions in the neighbourhood, such as credit unions, co-operative societies, granges, farmers' unions, school board, women's clubs, etc.; let every agency or institution primarily interested in community betterment have a place in the council. The work of the council is to hold community meetings, appoint committees, and in other ways try to accomplish the following objects:

"(1) To create the 'community idea,' that is the idea of 'each for all and all for each;'

"(2) To make a study of the needs of the community in farm matters, in business matters, and in living matters, and out of this study to make a plan of community improvement which includes both those things that can be done at once and those improvements that will take a long time to accomplish;

"(3) To assist and encourage any new organisation in the community that may be necessary or desirable in order that all the problems of the community may be, if possible, worked out to a successful conclusion.

"The county organisation is made up of delegates from all of the community councils in a county. Its purposes are similar to those of the local council except that it views the county as a whole, and serves as a clearing house for all rural improvement matters in the county. It holds frequent conferences to discuss various phases of rural improvement. The State organisation is composed of delegates from the county rural councils and also of representatives of State-wide organisations of all kinds interested in agriculture and country life. The National Council of Agriculture and Country Life may be made up of representatives of State Councils as well as representatives of national associations and organisations having an interest in agriculture and country life in any of its phases."

Mr. Lubin, in recent publications of his on the subject of rural credits, also insists strongly on the need of organisation amongst the farmers, which he would like to see built up on a more definite and less heterogeneous plan than that suggested by the American Commission. The model he would set before the American farmers is that of the *Landwirtschaftliche*

rat of Germany, on the lines of which State Councils of Agriculture, culminating in a semi-official National Council of Agriculture with consultative and advisory powers, could be built up. But whatever be the form of organisations ultimately adopted, there is pretty general acceptance of this statement in the Report of the American Commission:

"No one lesson was more fully learned by the Commission in Europe, than that a subject like rural credit cannot be divorced from other phases of the farm question."

It may safely be said that the movement for rural credit legislation is only one phase of the movement now on foot in the United States for re-organising rural production and distribution, more especially the marketing of farm produce, on the basis of co-operation, with a view ultimately to freeing the farmer from dependence on the middleman and the trust.

FRANCE.

THE "CREDIT FONCIER DE FRANCE." ORGANIZATION AND WORK.

SOURCES:

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§ 1. THE ORGANIZATION OF THE "CRÉDIT FONCIER DE FRANCE."

Historical Sketch. — As a result of the Decree of February 28th., which sanctioned (the authorization of the President having been obtained) the creation of a land credit society, for the purpose of granting credits to owners of real estate desirous of borrowing on mortgages, to be repaid by annual instalments lasting over a long period, there was founded in Paris a large society, the *Société de Crédit foncier (Banque foncière de Paris)*. At the head of this society were the most important members of the banking and financial world and of the Government. The society was authorised by the Decree of March 29th., 1852, and had a capital of 25,000,000 frs. with 10,000,000 frs. subscribed. The society undertook the negotiation of bonds, and promised to pay the amount of the loans in cash. The rules of the society were approved by a Decree of July 30th., 1852.

In time, there also arose the Land Credit Societies of Marseilles and Nîmes, and other similar societies were about to be established. The Decree of December 10th., 1852, however, extended, the rights of the *Banque foncière de Paris*, henceforth entitled "*Crédit Foncier de France*," to all Departments in which no land credit societies existed and permitted it, with the consent of the Government, to incorporate with itself those land credit societies already established, ordering it to raise its capital to 60,000,000 frs., 15,000,000 frs. of which to be subscribed at once, in addition to the above mentioned 10,000,000 frs., and further making it

a grant of 10,000,000 francs. By a Decree of June 24th., 1854, the *Crédit Foncier* as a financial institution was placed under the direction of the Minister of Finance. A Decree of July 6th., 1854 reorganized and finally consolidated the Institute, with the organization of which we shall now deal.

Management and Administration of the Society. — There is a Governor who has the management of the business and the representation of the society. Two Sub-governors discharge functions delegated to them by the Governor and act as his substitutes in order of their appointment. The *Administrative Council* consists of the Governor (president), the Sub-governors, administrators and censors. The administrators are at least 20 in number and not more than 23, and are appointed at the General Meeting of shareholders; three of them must be selected from the *treasurers who are masters-general* of finance. One fifth of the number of the administrators is renewed every year, and re-election is permissible. The council deals with matters not reserved for the consideration of the Governor.

The *censors*, 3 in number, are appointed at the General Meeting for a term of 3 years, one third of their number must be renewed from time to time and they may be re-elected.

The censors supervise the carrying out of the rules. The General Meeting represents all the shareholders, but consists of only the 200 largest shareholders. The list of these shareholders is compiled by the administrative council, twenty days before the ordinary, or extraordinary meeting. On this list there may only figure the names of shareholders on the registers of the society who have deposited their shares with the society 3 months previous to the drawing up of the list. A quorum is formed when the number of members present is 40, holding one tenth of the number of shares issued. The meeting is presided over by the Governor.

The motions are passed by a majority of votes of the members present.

Each of the latter has a vote for each lot of 40 shares, but no one can have more than 5 votes in his own name, or more than 10 either in his own name or as a proxy. Every member of the meeting has in any case a right to one vote, even if he does not possess 40 shares.

Share Capital. Amount Invested. — The share capital which, as we shall see further on, has been fixed at 250,000,000 francs, is intended to serve as a guarantee of the obligations of the society and especially of land and communal bonds. It is divided into 500,000 shares of 500 francs each, fully paid up. The amount of the nominal capital of the shares must be maintained at, at least, one twentieth of the capital realised by the issue of the bonds in circulation. The *Crédit Foncier* is authorised to increase the share capital, by one or two operations, to 300,000,000 frs. (represented by 600,000 paid up shares of 500 francs each) as soon as the total of the bonds in circulation shall amount to twenty times the nominal capital represented by the shares.

The share capital of the *Crédit Foncier* must be made up as follows:

1st., At least one fourth must be in French Revenue or other Treasury

2nd., At most one fourth may be in real estate serving for the headquarters of the society, or in loans to colonies or protectorates, or in bonds accepted by the Bank of France as security for advances.

3rd., The rest must consist either of mortgage and communal loans, or of credits on mortgages opened according to the conditions fixed by the rules, or of land or communal bonds, or backwardations or advances on bonds accepted by the Bank of France as security for advances or of bills of exchange or commercial bills with at least 2 signatures approved according to the regulations of the society, or finally of anticipations of the funds necessary to cover the half-yearly payments due from the borrowers and the cost of the property acquired in conformity with the rules as a result of expropriation.

Operations. — We shall speak briefly of the principal operations of the *Crédit Foncier*. Amongst these are *loans on mortgage* to the owners of real estate of sums to be refunded either in annual instalments, over long periods or for short periods not repayable in instalments. *Loans for long periods repayable in instalments* are made up to half the value of the real estate for from 10 to 75 years; as a rule, on first mortgage. The interest at present is 4.85 %. For a loan for 75 years, the annual instalment (interest and sinking fund) is 4.99 %. On woods and vineyards, the loan must not exceed a third of the value.

In the case of shop and factory buildings, their industrial value is not taken into account in the estimation. The borrower can always shorten the period of the loan; and can ask for a current account to be opened for him from which his half-yearly payments may be deducted. *Short period mortgage loans not repayable in instalments* can be made for from 1 to 9 years at 4.85 % interest without right of repayment in advance.

In regard to the valuation, the *Crédit Foncier* charges for verification, and, in case of sums of more than 30,000 francs, charges for verification and for the examination of the title deeds.

The *Crédit Foncier* makes *loans to Departments, Communes and Public Establishments, repayable in instalments or not*. The rate of interest is fixed at 4.30 %. The *Crédit Foncier* reserves to itself the right of granting special conditions according to the circumstances and nature of the business. The loans not repayable in instalments are all made for from 1 to 9 years.

The *Crédit Foncier* can issue, and negotiate as representative, different kinds of loans, of land bonds (*lettres de gage*) and communal bonds. The capital realised by the issue of these two kinds of bonds may not exceed the amount of the loans on mortgage or communal loans granted by the Society.

The funds derived from the issue shall be placed, until their final investment, in French Revenue or other Treasury bonds, in bonds of the City of Paris, of the Departments and Communes, in shares of the Bank of France, in land and communal bonds, and in railway stock the interest on which is guaranteed by the State. With the authorisation of the

Government, the bonds can be drawn for, with premiums payable at date of payment.

The *Crédit Foncier* has lately begun to permit, as we shall see, the opening of *mortgage credits in current account* within the same limits, with the same guarantees and the same charges for valuation and examination of title-deeds as already established in the case of mortgage loans. These openings of credit are made for a period of 9 years at the most, but the contract may contain a clause for their tacit renewal. The sums advanced bear interest calculated at the rate fixed for mortgage loans increased by 0.30 %.

The credits of the owners of current accounts produce interest calculated in the same manner as in the case of ordinary deposits in current account. Payment can be made by cheque.

The *Crédit Foncier* is also authorised to receive *deposits in current account* at interest, or not, but for not more than 125,000,000 frs. These deposits must consist :

(1) As regards at least one fourth, and, with the permission of the Minister of Finance, of a larger proportion, of the payments into current account at the Treasury, at the rate of interest fixed by the Minister. For these payments with the approval of the Minister there can be substituted the deposit of bills.

(2) For the rest, either by French Revenue Bonds or Treasury Bonds or advances for not more than 90 days on stock issued by the *Crédit Foncier*, or on certificates accepted by the Bank of France as guarantee of advances, or, finally, by bills of exchange or commercial bills at most for 90 days, with at least 2 signatures, approved in accordance with the regulations of the society. Advances on bonds may not exceed half the amount of the deposits, excluding the sums transferred to the Treasury.

The interest paid on deposits is $\frac{1}{2}$ %. Payments can be made in coin, bank-notes, drafts on Paris, bills of from 4 to 15 days on Paris, drafts and bills on places where there are banks, at 15 days at least from date of deposit, drafts on London, coupons to bearer, and over-due inscribed certificates.

Other operations of the *Crédit Foncier* are loans made by it in place of the State for drainage works, loans in Algeria, Tunis and Morocco, the discounting of the bills of the *Sous-Comptoir des Entrepreneurs*, the receipt of bonds, in deposit and their administration ; the execution of orders on the Paris and other more important Exchanges ; advances on bonds under the conditions adopted by the Bank of France and with the opening of *current accounts* ; and the lease of safes.

Distribution of the profits. — From the profits realized by the *Crédit Foncier* there is deducted annually :

(1) 5 % of the capital paid on the shares to be divided among all shareholders.

(2) A sum which may not be less than 5 % nor more than 20 % of the balance, to be used for the formation of a compulsory reserve fund in the proportion determined by the Council of Administration. After

the subtraction of a possible contribution for the voluntary reserve fund, the remainder is added to the dividend out of which an advance can only be made at the close of the second half-year.

The compulsory reserve fund. — When this amounts to half of the subscribed share capital no further deductions are made to be paid into it, but the deductions begin again, if the fund is reduced, for example, for the purpose of making up the shareholders' dividend of 5 %, in case of insufficient profits.

§ 2. THE WORK OF THE *CRÉDIT FONCIER* IN THE FINANCIAL YEARS 1912 AND 1913.

In our *Bulletins* for June, 1911 and August, 1912, we dealt with the work of the *Crédit Foncier* in 1910 and 1911: it remains for us now to speak of the last two financial years together.

Principal Operations. — In 1912, the excess of mortgage loans over land bonds in circulation induced the *Crédit Foncier* to issue a land bond of 500,000,000 francs under the form of bonds of 500 francs at 3 $\frac{1}{2}$ %, to be drawn for. Such bonds were issued for public subscription, partly in cash up and partly in subscribed shares. Whether owing to the rate of interest, or to the attraction of the drawings, or to the option left to the subscribers to choose between immediate payment on their shares and the possibility of extending the payments over a very long period of time, the operation was completely successful, notwithstanding the anxiety caused by unfavourable international circumstances.

In 1913, the capital was increased with the aim of giving the *Crédit Foncier* the means of increasing the amount of loans and the circulation of its land and commercial bonds, since, Art. 4. and Art. 8 of the law of July 6th., 1860 limited the circulation of land and commercial bonds to a sum not to exceed twenty times the amount of the nominal capital of the shares. However, 50,000 new shares were issued which raised the nominal capital to 250,000,000 francs. The subscription was limited to the shareholders of the *Crédit Foncier*, in view of their right of option, and the operation had no unfavourable influence upon the course of the old shares, nor did it cause any noticeable difficulty for the sale of the bonds of the *Crédit Foncier*.

The excess of mortgage loans over land bonds in circulation induced the *Crédit Foncier* to obtain more capital. The conditions at the time being unfavourable to the issue of a large loan, the *Crédit Foncier* had recourse to a comparatively modest operation, permitting of the issue of a nominal capital of 150,000,000 bonds of 500 francs each, not to be drawn for, at the rate of 4 %, in accordance with the conditions of the market. This operation was a complete success.

Mortgage Loans. — Continuing the increase begun in 1910, the mortgage loans were:

in 1912: 8,208 for 235,291,808 fr. 80 c.
in 1913: 9,505 » 295,520,856 fr. 22 c.

The loans were distributed according to their importance as follows :

	Loans up to 5,000 fr.	From 5,001 fr. to 50,000 fr.	From 50,001 fr. to 50,000 fr.
1912 . . .	2,347 for 7,819,555	1,059 for 15,607,832.00	2,918 for 70,355,021.80
1913 . . .	2,379 " 7,664,169	2,367 " 18,745,264.18	3,529 " 88,975,546.00
	From 5,001 fr. to 100,000 fr.	From 100,001 fr. to 500,000 fr.	Of 500,001 fr. and over
1912 . . .	580 for 43,790,200.00	383 for 77,933,300	21 for 20,685,000
1913 . . .	661 " 50,102,877.04	543 " 107,103,000	26 " 22,915,000

The loans were distributed as follows, according to their duration :

	For less than 20 years	For 20 years	From 21 to 30 years
1912 . . .	770 for 10,032,800 frs.	599 for 9,445,700 frs.	4,039 for 61,537,700.00 frs.
1913 . . .	970 " 16,944,800 "	665 " 11,534,600	4,047 " 88,302,604.18
	From 31 to 40 years	From 41 to 49 years	
1912	450 for 8,400,201 frs.	73 for 3,666,357.80 frs.	
1913	491 " 14,446,496 "	35 " 1,645,000.00	
	From 50 to 59 years	From 60 to 75 years	
1912	313 for 12,377,800.00 frs.	1,024 for 130,131,250 frs.	
1913	336 " 14,106,477.04	2,061 " 148,490,819	

They were distributed as follows, according to the geographical position of the real estate :

	Department of the Seine	Other Departments, Algeria and Tunis
1912	2,302 for 132,871,907.80 frs.	5,906 for 102,410,501.00 frs.
1913	2,614 " 151,873,677.04	6,801 " 113,647,170.8

Finally, we have the following distribution according to the situation of the real estate :

	Urban Estate	Rural Estate
1912	5,797 for 194,168,708 80 frs.	2,411 for 41,123,100 00 frs.
1913	7,161 " 241,605,373 04 "	2,344 " 53,915,483 18 "

The amount of repayments in advance in 1912 was 75,137,808 fr. 87 c. and in 1913, 59,771,517 fr. 84 c. Comparing the amount of the new loans with the above repayments, it is seen that the loans exceeded the repayments in advance by 160,153,999 fr. 33c. in 1912, and by 235,749,338 fr. 38 c. in 1913.

The interest on the mortgage loans fixed at 4.30 % on January 12th., 1909, was raised to 4 1/2 % on November 11th., 1912, to 4.65 % on July 6th., 1913, and to 4.85 % on November 16th., 1913.

The mortgage loans realised in 1912 and 1913 bring up to 188,598 the total number granted by the *Crédit Foncier* from its foundation up to November 16th., 1913, while their amount is 6,677,806,173 fr. 32 c. Of this amount, the *Crédit Foncier* has recovered in half-yearly payments from the beginning of its operations 819,824,836 fr. 88 c.; in repayments in advance in 1913: 59,771,517 fr. 84 c.; in similar repayments made in preceding years: 3,225,265,101 fr. 54 c. Thus, the balance of capital due on mortgage loans on December 31st., 1913 was 2,572,944,717 fr. 06 c. If we add 246,246,200 fr. for loans for short periods guaranteed by the *Sous-Comptoir des Entrepreneurs*, on mortgage and on bills deposited discounted by the *Crédit Foncier*, and 36,620,150 frs. for loans now in course of being passed and still only at a conditional stage, we arrive at a total balance of mortgage loans amounting to 2,855,811,067 fr. 06 c., of which those granted especially out of the share capital amount to 68,029,167 fr. 82 c.

Years	Communes		Departments		Syndicats	
	Number	Amount	Number	Amount	Number	Amount
		frs.		frs.		frs.
1912	2,885	219,361,361.95	64	90,832,103.63	6	
1913	2,465	94,477,652.32	68	41,182,950.05	12	
Total from 1860 to December 31st., 1913 .	47,433	8,246,629,496.01	914	592,817,789.51	572	124,524

The amount of over-due half-yearly payments on December 31st., 1912 was 24,433,459 fr. 78 c. The half-yearly payments falling due in 1913 amounted to 135,479,834 fr. 98 c. Thus, the total amount to be recovered in instalments in 1913 was 159, 913,294 fr. 76 c. On December 31st., 1913, this sum was reduced to 24,058,250 fr. 64 c. and on February 28th., 1914 to 17,563,945 fr. 14 c., in which the half-yearly payments falling due before 1913 constituting the true arrears amounted to 1,279,195 fr. 06 c.

The Administrative Council having decided to permit, from January 1st., 1913, the opening of mortgage credits in current account, the total of mortgage credit thus opened in 1913 was 5,335,000 fr. and an increase is hoped for in this class of operations and has been desired by the organs interested.

Communal loans and other special loans. — The communal loans granted to Communes, Departments, Syndicates and Public Establishments in virtue of the laws of July 6th., 1860 and February 26th., 1862 were distributed as follows :

As compared with 1912, the communal loans for 1913 show a decrease of 432 loans for 164,608,136 fr. 61 c.

The amount of repayments in advance, which was 20,905,383 fr. in 1912, increased to 27,661,188 fr. 48 c. in 1913. The new loans, thus, in 1913, exceeded the repayments in advance by 126,056,346 fr. 89 c. In 1912, this excess had been 296,820,288 fr. 98 c., but it must be taken into account that in 1912 two loans of exceptional importance were made: one of 100,000,000 fr. to the city of Paris, and the other of 72,350,000 fr. to the Tunisian Government.

The rate of interest on loans to Departments and Communes was 3.85 % from November 14th., 1901; it was fixed at 4 % on November 16th., 1912, at 4.15 % on January 28th., 1913, and at 4.30 % on November 1st., 1913. The rate of interest on loans to public establishments, which was 4.10 % from November 14th., 1901, was raised to 4.20 % on November 16th., 1912 and to 4.30 % on November 1st., 1913.

Out of an amount of 4,679,963,386 fr. 55 c. in loans made from 1860 to the end of 1913, the *Crédit Foncier* has recovered by means of half-yearly

of Commerce	For Building Churches and Meeting Houses		Hospitals, Lenoatic Asylums and other Public Establishments		Total for the Year	
	Number	Amount	Number	Amount	Number	Amount
		frs.		frs.		frs.
	---	---	15	1,087,329.40	3,025	317,725,671.98
	---	---	16	1,190,410.00	2,593	153,117,535.37
	876	17,034,573.20	876	29,197,755.57	50,722	4,679,993,386.55

payments, 1,002,954,371 fr. 32; by means of repayment of short term loans when due, 80,661,669 fr. 23; in repayments in advance, 1,228,712,888 fr. 80. Hence, the balance of capital which remained owing on communal debts on December 31st., 1913 was 2,367,634,457 fr. 20, which includes 4,395,791 fr. 82 c. in loans made specially out of the capital of the Society and the reserve funds.

The amount of the annual instalments to be received on communal debts in 1913, was 146,841,520 fr. 78, reduced on December 31st., 1913, to 3,408,194 fr. 51, and, on February 28th., 1914, to 1,121,842 fr. 79 c.

Summary of the amounts of the land loans, communal and special loans. — The total amount of the land and communal loans made in 1912 was 553,017,480 fr. 48; of those made in 1913 the amount was 448,638,391 fr. 59. If the repayments in advance made in the respective years are subtracted, there remains an excess in new loans of 456,974,288 fr. 61 in 1912, and of 361,805,685 fr. 27 in 1913.

Loans in Algeria and Tunis. — In 1912, the mortgage loans made in Algeria had been 85 for 1,501,500 fr. and the communal loans 49 for 6,022,340 fr. In 1913, they were respectively 181 for 6,431,200 fr. and 35 for 4,285,253 fr. In 1912, the land loans effected in Tunis were 57 for 981,500 frs., besides the loan made to the Tunisian Government. In 1913, the loans increased to 70 for 2,745,200 fr. The total number of the loans made in Algeria and Tunis since the *Crédit Foncier* began working had risen on December 31st., 1913: in the case of mortgage loans, to 8,597 of an amount of 171,913,014 fr. 76 c., and, in that of communal loans, to 837, representing a capital of 253,000,718 fr. 39 c.

Communal Land Bonds. — The nominal value of the land bonds in circulation on December 31st., 1912 was 2,594,760,750 fr.; on December 31st., 1913, it was 3,219,826,250 fr. Making the necessary deductions, the sum in 1912 amounted to 2,258,809,744 fr. 14; in 1913, to 255,133,516 fr. 43. The nominal value of the communal bonds in circulation on December 31st., 1912 was 2,257,000,850 fr.; on December 31st., 1913, it was 2,241,712,250 fr. The necessary deductions being made, it was in 1912, 1,811,897,289 fr. 63 and in 1913, 1,913,186,375 fr. 44.

Comparison between the loans and the bonds. — The situation on December 31st., 1912 presented an excess of loans to the amount of 808,950,794 fr. 42.; that of December 31st., 1913, an excess of loans to the amount of 682,731,072 fr. 75.

Situation at the End of each Year. — It may prove interesting to compare the situation at the end of each of the two years under consideration:

THE "CREDIT FONCIER DE FRANCE." ORGANIZATION AND WORK 101

Credit	December 31st., 1912	December 31st., 1913	Debit	December 31st., 1912	December 31st., 1913
Specie in Hand at the Bank of France	4,738,537.57	6,272,991.43	Share Capital	225,000,000.—	250,000,000.—
Bonds and Different Bills	163,752,817.99	323,682,462.54	Compulsory Reserve Fund	20,539,766.29	20,775,591.96
Public Treasury	24,229,290.00	24,060,842.47	Allocations for Repayment of Loans	262,197,065.07	258,538,317.78
Advances on Deposit of Certificates	49,588,519.11	52,283,514.52	Reserves and Various Allocations	25,516,845.85	25,716,466.05
Correspondents	6,352,380.81	6,454,531.45	Deposits in Current Account	84,128,870.94	82,140,358.01
Mortgage Bank in Liquidation	11,814,633.74	16,322,845.98	Correspondents	98,825,837.95	110,765,410.96
Loans	4,882,425,847.99	5,250,911,069.41	<i>Sous-emploi des Entrepreneurs</i>	4,131,466.63	4,733,568.65
Bonds (Loans) Withdrawn from Circulation	118,495,351.22	—	Deferred Payments	424,595,989.79	409,215,303.74
Real Estate Acquired by the Society by means of Expropriation	9,064,907.74	7,454,811.06	Land Mortgage Bonds	2,258,869,744.14	2,555,133,516.43
Real Estate of the Real-estate-ers of the Society	22,170,709.25	22,170,709.25	Communal Bonds	1,811,877,289.03	1,913,186,375.44
Miscellaneous	25,331,690.27	23,757,655.80	Bonds to be Drawn for in Circulation	38,143,600.66	39,175,009.90
Interest not yet Due	57,665,792.66	62,027,617.91	Bonds to be Repaid and Interest Due	23,851,000.10	26,246,797.36
Working Expense	5,094,323.69	5,232,927.36	Half-yearly Payments of Annual Installments in Advance	3,518,738.84	3,670,731.45
			Miscellaneous	2,906,730.64	30,816,381.13
			Interest not yet Due	46,025,103.73	48,033,246.79
			Profit and Loss	21,275,914.18	23,152,701.03
Total Credit	5,380,604,802.94	5,802,582,879.28	Total Debit	5,380,604,802.94	5,802,582,879.28

Profit and Loss Account. — In 1912, the net profit of the financial year was 15,967,713 fr. 31; with the amount brought forward from the financial year 1911, there was a total of 16,181,590 fr. 49, which allowed of a dividend of 35 fr. In 1913, the net profit was 18,119,773 fr. 67, allowing of a dividend of 37 fr.

Amendment of the Rules. — In accordance with a decision of the Administrative Council and of the General Meeting, a Decree of June 7th., 1914 has amended the rules of the *Crédit Foncier*, raising the share capital from 200,000,000 frs. to 250,000,000 frs. and the number of shares from 400,000 to 500,000, and authorising it to raise its share capital to 300,000,000 frs. in 600,000 shares, as soon as the total amount of the bonds is 20 times the nominal value of the shares.

The object of this increase of the share capital of the *Crédit Foncier* is naturally to allow this important institution to increase, in due time, its issues, so as to obtain the means for extending its mortgage and communal loan business.

NOTICES OF SOME RECENT PUBLICATIONS RELATING TO CREDIT.

GERMANY.

PETERSILIE (DR.): *Denkschrift zur Feier des 50 jährigen Bestehens der Landschaft der Provinz Sachsen (Monograph for the Celebration of the Fiftieth Anniversary of the Foundation of the Landschaft of the Province of Saxony)*. Large qto. 155 pages and 2 diagrams in colour.

This publication, both on account of the rigorously scientific method in which the history and the various phases of the development of the *Landschaft* of the Province of Saxony are set forth in it, and the wealth and importance of the information it contains, deserves much more than a short notice and we shall utilise it in a future article on this important Prussian Credit Institute, for the moment limiting ourselves to a brief outline of it.

The work is divided into eight chapters, which give the various periods of the history of this *Landschaft* in chronological order, in periods of ten years from 1864 to 1895, and deals separately with the periods 1895-1909 and 1909-1914, in the case of which the division into periods of ten years would no longer meet the requirements of a scientific statement of the facts.

The author considers it necessary to study the development of this *Landschaft*, not only from a point of view exclusively technical and consequently limited, but also, and more specially, in relation to the general circumstances of the national economy, so as to be able to deduce the causes and conditions that have counselled or imposed the successive changes in the constitution and working of the Institute.

The first and second chapters, treating of the conditions for land credit in Saxony before the foundation of the *Landschaft* in 1864, the reader will find specially interesting, as they show clearly and concisely the successive phases through which the initial form of this institute was reached and in consequence of what events and what economic necessities it was founded.

In the chapters that follow, the author deals as we have said, with the development and successive modifications of the Institute. The first decade (1865-1874) was the period of the establishment of the new organization and of its consolidation, the second (1875-1884) that of the sure development of the work of the Institute and the third (1885-1895) that of its tranquil ascent to its present eminent position.

The next periods are considered by the author more at length, above all so far as regards the important changes made in the years 1909, 1910, 1911 and 1913 in the working of this *Landschaft*, the principal object of which was to extend the sphere of action of the institute and also to make it possible for smaller holdings to benefit by the credit the *Landschaft* offers.

The last chapter deals with the present position of the *Landschaft* in the Province of Saxony and its position in regard to other similar institutes.

At the end of this interesting work of Dr. Petersilie's will be found some important statistical tables, showing the development of the *Landschaft*; and two diagrams in colour, the first relating to the issue of land bonds by the Institute between 1863 and 1913 and the second to the maximum and minimum quotations for these bonds.

AUSTRIA.

COMPASS. FINANZIELLES JAHRBUCH FÜR OESTERREICH-UNGARN. Gegründet von GUSTAV LEONHARDT, General-Secretär der österreichisch-ungarischen Bank 1915. Herausgegeben von RUDOLF HANEL. Achtundvierzigster Jahrgang. I Band (*Financial Yearbook of Austria-Hungary*, Founded by Gustav Leonhardt, General-Secretary to the Austro-Hungarian Bank, 1915. Edited by Rudolf Hanel. Year XLVIII. 1st. volume). Vienna, 1914. Compass-Edition. IX. Canisiusgasse No. 10. Pages XLV + 1,721.

The first volume of the new Compass Yearbook, just published, deals with everything generally relating to the Banks and other Credit Institutes of Austria-Hungary, that is to say with: General Statistics; Provincial Mortgage Credit Institutes; the Austro-Hungarian Bank; Mortgage Banks Limited by Shares; Other Classes of Banks; Austrian Banks of Limited Liability; Postal Savings Banks; Austrian Savings Banks; Co-operative Credit Societies; Foreign Banks.

Other chapters deal with loans, with monetary matters, and insurance institutes. The part concerned with loans contains official statistics in relation to the common Austro-Hungarian accounts, the Austrian accounts, the Hungarian accounts, the Bosnian accounts, the Austrian public debt, that of Hungary, the fluctuations in the price of Government Revenue Bonds, the issue of Austrian Government Bonds for the period 1892-1903, the issues of Hungarian Government Bonds for the same period, the issues for 1911-1913, and further, gives detailed information and statistics in regard to the general public debt, the Austrian public debt, that of Hungary, other public loans (provincial, communal, those of consortiums, etc.), foreign loans etc.

The part concerned with monetary matters, deals with gold money, the coinage of money, the monetary convention between Austria and Hungary, Government banknotes, banknotes out of course, silver money and

minor coins, etc. As we said above, a large part of the book is given up to the Banks and Credit Institutes; here we find information relating to co-operative credit in Austria, Hungary and Bosnia, and more particularly: Statistics of Austrian Co-operative Credit for 1880-1912; the Hungarian law of the year 1898 on co-operative credit societies; statistics of Hungarian co-operative societies for 1880-1912; the central provincial co-operative credit society; statistics of the co-operative credit societies of Croatia-Slavonia; the Austrian co-operative credit societies arranged according to the alphabetical order of their headquarters; the co-operative credit societies of Hungary, Croatia-Slavonia and Bosnia, with their respective balance sheets.

In the last part of the book we find information in regard to the insurance societies, and in each case the balance sheet, the board of management, the council of supervision, and other facts deserving of mention.

At the end of this large volume there is a list of the banks, money changers, etc., in alphabetical order of the cities in which they have their establishments.

The present volume, like those that have preceded it, is of incontestable importance for an acquaintance with the organization of finance in Austria-Hungary, it gives a summary of the whole financial business, from a very large number of scattered reports and balance sheets. It is a precious guide for whoever has to venture along the tortuous paths of the financial life of a great nation.

DENMARK.

PRIORITÆTENS GOELDEN I DANMARK FOR 1. JULI 1909 (*Danish Mortgage Debt on July 1st, 1909*). Published by the Copenhagen Statistical Office, 1914. pp. 67-93.

This is the first complete and systematic collection of statistics of Danish Mortgage Credit. Up to the present the statistics in connection with this subject have been reported in the annual communications on the fluctuations of mortgage business and in the registers of the courts in relation to the various transfers of landed property. It is clear this material was too sparse and fragmentary to give a general idea of the situation of the Danish mortgage debt.

The information in the work before us, however, rests on a wider and more definite basis, that is on the valuation of landed estate made for the purposes of the cadastre. The methods followed in dealing with the material, in addition to various general considerations and statistical summaries, provide matter for a clear and well arranged preface: and, at the end, by way of conclusion, there is a diagram showing the distribution of the mortgage debt in the various parts of the country.

The details are set forth in nine pages of statistical tables.

We shall deal more at length with this subject in a special article in a future number of this Bulletin.

ITALY.

SOCIETÀ ITALIANE PER AZIONI. NOTIZIE STATISTICHE: 1914. CREDITO ITALIANO (*Italian Societies Limited by Shares. Statistical Notices: 1914. Italian Credit Institute*). Milan. Lanzani, 1914 pp. 1,431.

This is the fifth edition of the Statistical Notices in regard to the principal Italian Societies limited by shares, very opportunely published by the Italian Credit Institute. It deals both with societies limited by shares and societies *en commandite* limited by shares, with head quarters in the Kingdom, with a paid up capital of 50,000 francs or more at the time of closing their last year's accounts and in the case of the electric light and power societies, and in their case alone has any difference been made, it has been attempted to show them all, irrespective of their capital. Account is also taken of those foreign societies, a very large part of the business of which, and in some cases the greatest part of it, is conducted in Italy.

In the case of each society, also the particulars of the balance sheet, the year of foundation, the head quarters, the object of the society and the manner in which the board of management is composed, are given.

The publication, which is very well arranged, will be of interest also to farmers, as some of the credit societies it treats of serve agricultural areas.

Part IV: Miscellaneous

GREAT BRITAIN AND IRELAND.

DAMAGE DONE BY GAME.

OFFICIAL SOURCES:

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INTRODUCTION.

In England and Wales, a country in which the atmosphere of "sport" has long been a distinguishing feature, the preservation of game for purposes of hunting, falconry, coursing, and, later, of shooting has always been an important factor in the social and economic questions of the countryside. As far back as the reign of William I, stringent "Forest Laws" were passed which secured for the purpose of the King's diversion large areas of land set apart for the preservation of forest game, *i.e.*, boar, wolf, hart, hind and hare. It was *inter alia* the too rigid enforcement of these Forest Laws in the special Forest Courts in which they were administered that led the Barons and populace alike to demand from king John that great charter of English liberties called "Magna Carta". Many of the provisions of Magna Carta were subsequently confirmed by the various Forest Charters which subsequent kings granted to lessen the severities complained of. In order perhaps to appreciate to the full the significance of this state of affairs and also that of the "Game Laws", subsequently so called, it is necessary to refer to the English Common Law as to the subject of wild animals. According to this law, based upon that of the Romans, there could be no "right of property" in a wild animal as such. It is true when once he had been captured he belonged to the captor, but until that point he was considered as a "*res nullius*", and since a "*res nullius*" could have no owner, the king as the ultimate owner stepped in, and where he did not enact special Forest Laws by virtue of this prerogative, in some cases he conferred franchises of chase, park or warren upon such of his subjects as he delighted to honour, in other cases the land remained subject to the Common Law rule and no one had any property in the wild animals until actually reduced into possession by capture or killing. One other most important consequence flowed from this Common Law rule and that was, that in as much as game belonged to no one, there could be no prosecution for theft, whenever any game was pursued and captured on another person's land. With no criminal law to protect the qualified ownership which the owner or occupier of land might consider that he had in the game on his land, and with only a civil action in case of damage by trespass against any one in pursuit of game, the lot of the agriculturist whose land was frequented by game would perhaps not have been too enviable, consequently we find that in 13 Richard II c. 13 was passed what is sometimes referred to as the first of the English Game Laws. This act provided that no one who did not own lands worth 40s. a year was to keep a dog to hunt, or ferrets, or other "engines", and apparently made it illegal for any one not owning a 40s. freehold to take game. The property qualification was in the later Middle Ages increased to freehold or £150 leaseholds, but in 1831 the necessity for any such qualification was removed. In course of time also a change in the law, which recognized in the owner or occupier of the soil the exclusive right of taking game of

his own land, materially helped to a solution which must in turn have reacted not unfavourable upon agriculture. But the fact that the right to take game was by Statute enjoyed only by the landowning class and not by the occupiers, which in England and Wales have always considerably exceeded in acreage that of the former (so that in 1912 the number of occupying owners was only 11 per cent.) in course of time acted detrimentally to the occupying classes as and when the interests and comparative wealth of the two classes began materially to differ. It was thus felt that some change in the law was necessary and in 1831 was passed an Act which abolished the necessity for a property qualification.

§ I. LEGISLATION IN THE INTERESTS OF THE GAME PRESERVER.

The beginning of the second quarter of the 19th Century, indeed, marks the commencement of most of the present law upon the subject of game preservation, and on account of the great growth of industrial wealth game began to assume an economic and social importance out of all proportion to its actual commercial value. Indeed "sporting tenancies" and the reservation of game by landowners seem often to have led to such undue preservation of game as has on many occasions directed attention to its adverse influence on agriculture. Before, however, proceeding to discuss criticisms of the working of the Game Laws it will be well to see of what those laws consist. The legislation of the 19th Century was directed until 1880 towards achieving two objects, — the prevention of trespass by unauthorized persons on the land of others in pursuit of game, and the reservation of game by the enforcement of a close season. The more recent legislation, however, has proceeded on a different basis, *viz.* the protection of the agriculturist against the ravages of game.

The first two of the acts to be noted, — the Night Poaching Act of 1829, and the Game Act of 1831, were chiefly concerned with what is called "trespass in pursuit of game". More severe penalties are imposed upon night poaching than upon day poaching. The Act of 1829 was evaded by poachers taking game upon the road, consequently an amending act was passed in 1844 to punish those who take game or rabbits on any public road by night. Another Act, called the Poaching Prevention Act, 1862, provides additional remedies to prevent poaching, and gives to any constable on any public road the power to search any person whom he may have good cause to suspect of poaching as also any cart, and the right to detain any article used for poaching if found. If the trespasser is subsequently convicted, his guns, nets, etc. are forfeited. Under this act game includes pheasants, partridges, grouse, black and moor game (and eggs of these), hares, rabbits, woodcock and snipe.

The close seasons which have been fixed by act of Parliament also materially add to the preservation of game. There is a close time for most game, *e.g.*, that for grouse is from December 11th to August 11th inclusive,

and during these close seasons it is illegal to kill or take game. But there is no close time for hares or rabbits, though hares may not be sold during March to July, inclusive, neither may game, including hares and rabbits, be shot at night, nor on Sunday (except rabbits). It is perhaps germane to this subject also to state that a close season has been fixed by authority of Acts of Parliament for wild birds other than game, even though many of the birds thus protected may be more hurtful to agriculture than beneficial, and this it must be surmised has been done on humanitarian ground alone.

§ 2. LEGISLATION IN THE INTERESTS OF AGRICULTURE.

We now come to the Ground Game Act of 1880 which effected the first radical alteration in the law of modern times. The preamble is instructive and gives us the keynote of the Act. It reads: It is desirable "in the interests of good husbandry and for the better security of capital and labour invested in the cultivation of the soil." The Act only applies to ground game, *i.e.*, hares and rabbits, and is so framed as to help the agriculturist to preserve the productions of his capital and labour, with only just sufficient interference with the freedom of contract as may be advisable for that purpose. It confers a right upon the occupier of the land which is incapable of severance from his possession of the land. The right conferred is to slaughter and take hares and rabbits, but it is restricted in many ways. For one thing it is concurrent with a similar right of any one else, *e.g.*, landlord or "sporting tenant", if the landlord has in the agreement of tenancy reserved such a right to himself or his assigns. It will be well to notice the limitations imposed by the act upon this right. They are as follow:

(a) The occupier is to take or kill ground game only by himself or by persons duly authorised by him in writing;

(b) The only persons to whom the occupier may delegate these rights are (i) members of his household resident on the land in his occupation, (ii) persons in his ordinary service on such land (*i.e.*, on the land where the game is killed), (iii) any other person *bona fide* employed for reward to destroy ground game.

Of these persons, however, only the occupier and one other person authorized in writing and answering to one or other of these descriptions may kill the game with firearms. Any other person, even if he has the tenant's written authority can be prosecuted for trespass. Such person must on demand by the landlord or his duly authorized agent produce such authority, otherwise he is an unauthorized person and may be prosecuted for trespass also.

In the case of certain classes of moorlands (above 25 acres) and unenclosed land (above 25 acres and not being arable) the time during which the occupier may exercise these rights is materially restricted (to about

months in the year), though an amending act of 1906 extends this right to kill in such areas for about 3 more months in the year but then only "otherwise than by the use of firearms".

It must be distinctly noted that the rights given by these Acts are, in the interest of agriculture, inalienable, and any agreement which purports to divert or alienate the occupier's rights or to give him any advantage in consideration of his forbearing to exercise them or which imposes any disadvantage in consequence of his exercising them is void and unenforceable. Nor may his right be interfered with or obstructed.

Now the Ground Game Act only applied to one species of game, *i.e.*, hares and rabbits. The occupier, therefore, with regard to winged game was still left in the position in which he was before the Act, and as the landlord usually reserved such game, the tenant had usually no right to take it, nor had he any right to sue his landlord for damages for injury done by such game unless he could prove that the stock had been considerably increased since the commencement of his tenancy, a claim which it is alleged is peculiarly difficult to substantiate. The landlord and his "sporting tenant" are however at Common Law liable to the occupier for any damage wilfully or unnecessarily done by them whilst in pursuit of the game, *e.g.*, trampling down standing corn or breaking hedges, etc.

However, with regard to winged game his position was improved in 1908 by the provisions of the Agricultural Holdings Act of that year. That Act provides that where damage to crops is done by game which the tenant has not the right at law or by agreement to kill, he shall have the right to compensation on the following conditions:

- (1) The damage must exceed 1s. per acre of the area over which the damage extends;
- (2) Written notice must be given as soon as possible after the damage is first observed;
- (3) The landlord must have a reasonable opportunity of examining the damage, (a) in case of growing crops, before it is raised, reaped or consumed, and (b) in case of raised or reaped crops before removal from the ground;
- (4) Written particulars of the claim must be given within one month of the expiration of the year for which the claim is made.

Failing agreement as to the amount of compensation payable, the matter is to be settled by arbitration. Any agreement which purports to impose any limitation upon the rights conferred by the Act is void, and thus the tenant is prevented from depriving himself of his rights even if he be so minded. The Act provides also that the landlord shall be entitled to be indemnified by his "sporting tenant" in case he has let the "shoot-
ing" and a claim is made by the tenant. In this Act the word "game" means deer, pheasant, partridge, black game and grouse.

Before closing this review of some of the more important provisions of the Game Laws, we must refer to two matters of administration which are not unimportant. The first relates to the fact that the enforcement of the law for the prevention of poaching is for the most part left by the

police to those servants of the landowner called "gamekeepers", of which at the census of 1911 there were in England and Wales 17,148. The other matter relates to the provisions which govern the Gun and Game Licences incidental to this sport. Occupiers and persons duly authorized by them do not require a Game Licence to kill ground game, though they do require a Gun Licence to shoot even rabbits, and this costs them 10s. a year. Neither is an occupier subject to the necessity of having a Game Licence to sell ground game, and this again saves him £2 a year.

So far we have been chiefly concerned with the rights affecting landlord and tenant *inter se* and the criminal law with regard to the protection of those rights from infringement by third persons. There is one other aspect of the matter, and that is with regard to any damage done by game bred and fostered upon the land of an adjoining owner. In this case the adjoining owner or occupier who suffers damage by the depredations of such game upon his land has a claim for damages against the person who breeds them, on the ground that he has wilfully bred that which he must have known might cause damage to his neighbours.

§ 3. ECONOMIC EFFECT OF THE GAME LAWS.

In the realm of history we find that the enforcement of the Game Laws has on many occasions led to conflicts between the preservers of game and those who wished to "poach" it for their own use. Poaching we are told was in the Middle Ages quite a fashionable pastime amongst youth of good family. Labourers also indulged in it and we find sometimes laws passed to regulate the lives of labourers who on Sundays instead of attending Church were poaching their masters' game, to preserve game for those who were wealthy enough to enjoy the sport, and to prevent labourers from wasting their time in the sport, when the poverty of their condition demanded honest work from them to enable them to live. But poaching continued, and it is generally reported that the stigma of being a convicted poacher was practically no stigma at all, and the same remark seems by many to be almost equally applicable to the present day. One unfortunate consequence following from this fondness for poaching has been that frequently serious bodily harm has resulted to one side or other of the combatants, and sometimes death.

But apart from history of the Middle Ages and later times there are official enquiries which have been held upon this subject, and there are the views of non-official bodies and persons which must each be considered in turn.

The first official enquiry which we will note is that held by the Parliamentary Committee of 1846 to enquire into the extent of the damage done by game to agriculture. The witnesses, says John Bright, through whose instrumentality the enquiry took place, were strikingly in harmony on the main part of the game controversy, and considerable evidence was

collected which showed that some farmers at least lost considerable sums of money on account of damage by game. One estimated his loss at over £3 per acre, another at £2 6s. and so on. It was also calculated that 4½ rabbits consume as much food as one sheep, which figure did not include waste which in the case of rabbits and hares is very considerable.

In 1872, a Select Committee was appointed to enquire into the Game Laws of the United Kingdom "with reference to their general bearing on the interests of the Community". The Report states, "There can be no question that the existence of a large number of hares and rabbits upon an arable farm is most prejudicial to its occupier, and your Committee cannot too strongly reprobate the practice of some landlords and their sporting tenants of keeping a large stock of these animals on cultivated lands to the injury of the crops of the farming tenants". The Committee recommended, "That the occupiers of game preserves should be made liable to the occupants of adjacent farms belonging to other proprietors for damage done by the ground game harboured in their preserves"; and also, "That the protection given by the game laws to rabbits should be withdrawn, as vermin on cultivated land, as they consume or destroy more food than they are worth".

In the Digest of the Report and Evidence of the Select Committee of the House of Commons on Forestry, held in 1885-7 and contained as an appendix to the Evidence taken before the Departmental Committee on British Forestry 1902, we read, "Game is injurious and plantations suffer much from it, more particularly from rabbits, capercaillie, grouse and hares and also squirrels."

Before the Departmental Committee on British Forestry held in 1902, many witnesses spoke as to the damage done to forestry by game, and particularly by rabbits, and many suggested that the sporting element conflicted with the full use of the land for forestry purposes. For instance Colonel E. Bailey, giving evidence as to the condition of the woods in Scotland said, "The fact is that our woods are, generally speaking, grown and maintained rather as game preserves and for the sake of amenity than for profit or timber, etc."; and the Earl of Selborne said, "Rabbits and forestry are perfectly incompatible, and the English landowner, who is usually comparatively a poor man, has not the slightest conception of what his rabbits are costing him or what his game preserve in costing him"; but later on we read, "Partridges and pheasants do absolutely no harm at all to young plantations; quite the contrary". In a statement handed in to the Committee by Mr. W. B. Havelock, he says *inter alia*, "The damage done by rabbits to the plantations of the country is enormous, and cannot be overestimated. No one but the forester has any idea of it. They effectually prevent that natural regeneration of the woods which is so striking a feature in some of the North German and French forests"; again, "The preservation of pheasants when carried to an extreme also prevents, to some extent, the natural regeneration of the woods of the country. The birds eat up all the acorns and beech masts but the damage they do is infinitesimal as compared with that done by

rabbits"; and again, "Hares also do damage by cutting off newly planted trees, but they are not so numerous as rabbits, and trees need only be protected for two or three years against them."

Commenting upon the backward state of British forestry as compared with that of the leading European States, the Advisory Committee on Forestry, in Appendix IV of their Report made in 1912, after referring to the changed economic conditions, made the following pertinent observations, — "Socially the situation has been further affected by the large number of landowners who have been able to neglect the financial side of their woods and to look upon them as ornamental features or simply as useful adjuncts to sport. The general increase of the prosperity of the nation during the last century resulted in the formation of a wealthy class by whom wooded estates were sought after, but to such men the chief value of their woodlands was in the residential and sporting amenities provided. The profitable growing of timber was a very minor consideration."

This exhausts the official enquiries which have been recently held upon this subject, but there are other observers whose views must be considered. Quite recently an enquiry was made by the Land Enquiry Committee on this and kindred subjects. The composition of the Committee and the fact that it was a purely party organization has been previously referred to in this *Bulletin* (1), and therefore here again we must be careful to receive the views and findings of the Committee with the caution which most political enquiries demand. The Committee find that the provision of the Agricultural Holdings Act giving compensation in certain cases is largely abortive because of the difficulty of proving the damage done, — especially in a large area, — and because of insecurity of tenure, owing to which any attempt to enforce such statutory rights may result in notice to quit. They also state that the same remark applies to the enforcement of the tenant's rights under the Ground Game Acts. They also find that the preservation of winged game is often responsible for damage done by ground game, inasmuch as in order to preserve the former, orders are given not to shoot the latter for fear of disturbing the former. Again much land, they say, is withheld from its best use for sport and more is undercultivated and underrented. They also recommend that some of the limitations upon killing and the method of killing should be removed and that the enforcement of compensation should be made less expensive. They also condemn the existence of the sporting tenant and recommend that it should be made illegal for the landlord to let to him, — that sporting rights, that is to say, should be reserved to the landlord himself or let to the agricultural tenant. They also recommend that the restrictions imposed upon the tenant should be removed so as to enable him and any one authorized by him to shoot, and to kill or take, and to snare or trap anywhere on his land. Farmers should also have compensation for damage to crops by

(1) See the *Bulletin* for July, 1914, at page 101.

ground game on neighbouring land. The right of search should be abolished and land used for sporting purposes should be taxed and rated more highly, and in addition the farmer should be given complete security of tenure otherwise any increased remedies will be of no use.

It must be pointed out that those findings have been strongly criticised in some quarters, chiefly on the ground that they are an exaggeration of the real facts as also because they omit to make any mention not only of the benefits indirectly resulting to agriculture by the immense amount of money brought into the country districts by the sporting men, but also of the fact that land has been put to good use for this purpose when otherwise the state of agricultural depression in the country generally would have put much of this class of land out of use altogether, and further on the ground that no mention is made of the fact that land is usually let to the farmer at a reduced rent when the shooting is reserved by the landlord.

It is however unanimously admitted that game if excessively preserved can and will do immense damage to agriculture and we find such diverse writers as the Hon. Jesse Collings, M. P., Sir R. E. Edgcumbe, Messrs G. E. Ranie, Christophor Turnor and F. E. Green agreeing upon this. But there is one other agricultural observer of repute whose remarks will materially help us to a fair appreciation of some of the merits of this controversy. Mr A. D. Hall in his "Pilgrimage of British Farming" which took place in 1910-12, in commenting upon the generally friendly relations existing between landlord and tenants says, "We heard but rarely of cases of injustice or oppression and when they did arise it was generally over game. For example we heard of one landlord who had threatened to turn a tenant out if he did not take his fowls off the stubble and thus leave the shed corn for the partridges. In the south and east of England the game sometimes are allowed to interfere seriously with the farming". Again, "The rabbit is reported to have destroyed much good land in Australia, but we doubt if he does not levy a greater if less obvious toll in England. Even where there is no question of a warren it is wonderful what damage a farmer will tolerate for the sake of the little shooting to which he is entitled"; and again, speaking of the Vale of Eiden in 1911, "In some places rabbits were a curse and really seemed to be getting most of the keep that was produced in that dry summer"; and yet again, "Without doubt in places (in the Blackmoor Vale) game is too abundant and is taking too great a toll of the crops".

CONCLUSION.

Admittedly then game if excessively preserved is capable of doing much damage to agriculture, and accordingly, in the proposals which have

recently been put forward for land reform in England and Wales, the restriction of game preservation and the provision of more adequate compensation to farmers for the damage done by game occupy a prominent place. On the other hand it is urged by critics of these proposals that great caution should be exercised in amending the Game Laws, lest the direct benefit to agriculture may be more than counterbalanced by the disturbance of the vast financial interests which are involved in the land, largely on account of the sport which is obtainable from its possession.

BRITISH INDIA.

LAND REVENUE ADMINISTRATION AND TENURES IN BRITISH INDIA.

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The standard work on Land Revenue Administration and Land Tenures in British India, now unfortunately somewhat out of date, is the "Land Systems of British India" by the late Mr. B. H. Baden Powell in three bulky volumes of some 700 pages each. The mention of this fact is sufficient to show the very great difficulty which must attend any attempt to give an intelligible and, at the same time, accurate account of the land revenue system of India within the limits of space allowed for an article in the *Bulletin of Economic and Social Intelligence*. What follows must, therefore, be considered a sketch in barest outline, the details of which should be filled in by reference to the works, a list of which is given at the end of the article. To the admirable presentment of the subject in the "Imperial Gazetteer of India," more especially in those chapters of the general volumes which deal with "Land Revenue" and with "Rents, Wages and Prices," I must here express my very great obligations.

I propose, somewhat reversing the order of my title, to treat of my subject in three main heads. The tenure of land relative to the State will first be discussed, then the relations of tenants to landholders, that is to say persons who have direct relations with the State, and finally a brief account of the land revenue administration will be given. It must be understood that almost all general statements are subject to exception and that it has not been possible to do more than give a bald recital of facts as they are without entering into a discussion of the policy or the historical circumstances which have made them what they are.

I. — TENURE OF LAND RELATIVE TO THE STATE.

All land in British India is held subject to the payment of land revenue to the State unless the State has definitely waived its right to collect such revenue. A description, therefore, of land tenure relative

to the State resolves itself into a description of the persons by whom the revenue is paid and of the manner in which the amount paid is fixed.

The land revenue of India is a form of public income derived from the immemorial law and custom of the country. In its primary form it represented the portion of the cultivator's grain heap retained by the State for public use. In the days when India was a congeries of petty States, it was possible to realise the bulk of the income of the State in this crude way, but when the Mughal Empire had established itself over the greater part of the Peninsula, its disadvantages became apparent. In the sixteenth century, therefore, the plan of taking the share of the State direct from the grain heap was abandoned and cash rates were substituted for payments in kind. The cash rates being fixed for a period of years instead of being subject to fluctuations annually. At the period when Mughal supremacy was really effective these cash payments were realised direct from the cultivators. As the Mughal Empire disintegrated, the practice of leasing the revenue of large tracts of land became common. The Central Government was able to maintain a less or less effective check on the lessees and, at the commencement of the British Empire, the collection of land revenue had become little more than a disorganised scramble by the later Muhammadan Governors, nominally sworn fealty to the Emperor at Delhi, but in reality independent, the Maharajas and the Sikhs, for the greatest amount that could be wrung from the land.

The first task of the British Administrators was to bring order out of chaos. Development naturally proceeded in the different parts of India along different lines which were determined to a great extent by the vestiges of the systems prior to the times of disorder which still survived and by the capacity of the early British Administrators, with the limited knowledge then at their command, to understand their purport. As is well known the result of this development has been the broad classification of the revenue systems of British India into two main divisions, "*zamindari*" and "*ryotwari*." The difference in the two systems may roughly be described as a difference in the status of the persons from whom the revenue is actually demanded. Under the *zamindari* system, the revenue is imposed on an individual or community owning an estate and occupying a position identical with, or analogous to, that of a landlord. The land is held as independent property subject, of course, to payment of land revenue. Under the *ryotwari* system, the revenue is imposed on individuals who are the actual occupants or are accepted as representing the occupants of the, usually, small holdings. *Ryotwari* land is held of the Crown in right of occupancy which is, under British rule, both heritable and transferable. The distinction between *zamindari* and *ryotwari* land has its historic origin in the varying degrees in which in different parts of the country, tribal occupation of territory has superseded the rights of a ruler or full proprietary right has been granted to the individual. From time to time the essential difference between the two systems has been sought in other characteristics than those mentioned above, such as the rights of Government in the soil, joint and several responsibilities for payment of revenue, the treatment of waste land, which in a *zamindari*

State belongs to the land holder, in a *ryotwari* village to the State, and so on, but into a discussion of these points it is impossible here to enter. The *zamindari* system is the system which prevails in the provinces of Bengal, Bihar and Orissa, the United Provinces, the Punjab and the Central Provinces and in parts of Madras. The *ryotwari* system is the system in force in Bombay, Burma, Assam and the greater part of Madras. About 55 per cent of the land revenue assessment of British India is *zamindari* and 47 per cent *ryotwari*.

§ 1. FEATURES OF ZAMINDARI TENURE.

(a) *Bengal, Bihar and Orissa, and Madras.*

The features of *zamindari* tenure differ greatly in the different provinces in which the system is in force and the word *Zamindar* has quite a different connotation in Bengal, Bihar and Orissa and the *zamindari* areas in Madras, from that which it has elsewhere. When those provinces passed under the British rule, it was found that revenue was being collected by "*zamindars*." In a few cases the *zamindars* were the descendants of sovereign rulers or were territorial chiefs who had been left in possession on grounds of policy by the Moghal rulers on condition that they agreed to pay into the Imperial treasury a proportion of the revenue collected from their villages. But by far the large majority of them were ex-officials, court favourites or men of local influence who, when the practice of farming the revenue grew up with the decay of the Moghal Empire, had undertaken such a farm and had gradually acquired the name and position of *zamindar* which at an earlier period had been confined to the first class mentioned above. At first, the *zamindars* paid into the treasury the whole amount collected from the cultivators less a definite allowance for maintenance and collection charges. But by degrees, as the control over them weakened, their payments tended to become fixed, though always nominally liable to enhancement, in spite of the fact that they were meanwhile opening up new sources of income, over and above the rental on which their revenue had been calculated, for example by the realization of rent from the cultivators of waste lands. At first, too, it had been necessary to obtain a fresh grant or authority from the ruling power before a son could succeed his father as *zamindar*, but by degrees this practice was dropped and the office became hereditary. The early British Administrators who found this state of affairs in existence could not rid themselves of the English idea that the person to whom rent was paid must be a landlord and must possess proprietary right in the land which paid the rent. No enquiry was, therefore, instituted into the manner in which the different *zamindars* had obtained their position, but all alike were recognised as proprietors of the soil.

The legislation which gave the Permanent Settlement of the land revenue in Bengal, Bihar and Orissa and Madras the force of law, laid down that the *zamindars*, their heirs and lawful successors should be allowed to hold their estates at the same assessment for ever, and also conferred the right of transfer upon them. Their rights, therefore, are freely heritable and alienable.

(b) *Agra and Oudh.*

In the province of Agra double proprietary rights were found to exist in some districts. The origin of the superior proprietors was much the same as that of the *zamindars* in Bengal, although their vernacular name was different, but as a result of the experience which had been obtained in Bengal, it was considered advisable to engage with the actual village proprietors instead of with the superior proprietors where the latter were officials or had but recently acquired their authority. The double proprietary form of tenure is in consequence rare in Agra, except in a few districts. The engagement for the payment of revenue which, except in the Benares division, is not permanently settled, is usually taken from the subordinate proprietor, who pays in addition the fixed percentage, usually 10 per cent on the revenue, into the treasury, from which it is disbursed by Government to the holder of the superior proprietary right. In Oudh, the province which with Agra makes up the United Provinces, the superior proprietors lost nearly half their lands when the Kingdom passed directly under British rule in 1856, but after the Mutiny of 1857, their status before 1856 was revived. In that province, the settlement of land revenue is accordingly made with the superior proprietor and the subordinate proprietor is protected by a sub-settlement. He manages the holding for which he has a sub-settlement and pays the revenue demand on it plus a fixed amount to the superior proprietor direct. For revenue purposes, the unit in the United Provinces is the area for which a separate agreement for the payment of land revenue is taken. The nearest English equivalent to the vernacular name of this unit is perhaps the word "Estate". An "estate" may be either a single village, part of a village, more than one village or even part of several villages. The ordinary landholders are known as *zamindars*, but from what has been explained above, it will be seen that they do not correspond exactly to the *zamindars* in Bengal. The tenures under which they hold their land in the United Provinces are divided into four classes. In the first of these, the profits, but not the land, of the "estate" are divided among the co-sharers, if there are more than one, according to their shares. In the second, the whole land and not the profits of the "estate" is divided between different co-sharers or groups of co-sharers in definite fractions of the total. The third class of tenure is a combination of the first and second. In this case, part of the land is undivided as in the first class and part is divided as in the second class, the profits of the undivided land being shared in approximately the same proportions as those of the divided land. The fourth class of tenure is that in which the land is divided

ut each share is a definite area or specific plot and is not defined as a fraction of the whole. In each of the four classes, the revenue is usually paid by a representative of the co-sharers, known as the "headman," each estate" having one or more of these. In "estates" of the first of the classes mentioned above, where there are several co-sharers and in "estates" of the second and third classes, the relations between landlords and tenants are managed by representative co-sharers in consultation with the whole body. In the eastern districts of the provinces, however, the sense of joint responsibility is rapidly weakening. The "headman" system is, in consequence, gradually breaking down and individual co-sharers frequently manage their own shares and pay their revenue direct.

(c) *The Punjab.*

Passing from the United Provinces to their western neighbour, the Punjab, we find that whilst a distinction used to be made in the revenue records between the same four classes of tenures as are found in the United Provinces, the distinction is now of little practical importance.

The *zamindars* in an estate are still, in theory, bound by common responsibility towards Government and each is liable for any balance of revenue due from any of the others. But the enforcement of common responsibility has now become practically obsolete and the owner or owners of each holding are now in reality assessed separately to revenue and are responsible to Government only for the revenue so assessed.

(d) *The Central Provinces.*

In the Central Provinces, at the commencement of British rule, most villages in the open country were in the hands of lessees who held farms of the land revenue of villages from Government for short periods, usually a year, the leases being granted for single villages. For the same reasons which had led to the Permanent Settlement of Bengal, it was thought that the development of the country could best be secured by the establishment of landholders who possessed their property in fee simple. So at the long term settlements made immediately after the constitution of the province in 1861, it was decided to recognise as full proprietors all persons in possession of villages as lessees. The practical result of this measure was thus the conversion of their tenure from leasehold to freehold subject, of course, to payment of land revenue.

(e) *Madras.*

The *zamindars* who hold permanently settled estates in the northern districts of Madras and in parts of the Central and Southern districts are in almost all cases the descendants of feudal chieftains of various classes. The few survivals of the abortive attempts made at the beginning of the nineteenth century to introduce a permanent settlement throughout the rest

of the Presidency by putting up farms of Government revenue to auction have a different vernacular name. The *ryotwari* system which is found in the rest of Madras, and in Bombay, Burma and Assam, has been sufficiently described for the present purposes in the definition already given. In those provinces, the agriculturist is a peasant proprietor who makes all payments in respect of the land he cultivates direct to the State.

§ 2. THE "SETTLEMENT" OF LAND REVENUE.

After this brief description of the persons from whom the State expects to realise its land revenue, we now pass to an account of the manner in which that revenue is determined, in other words of the way in which the State share of the cultivators' grain heap is calculated. This process is known as the "settlement" of land revenue and is carried out at varying intervals, as will be explained later, by a "Settlement Officer". The first essential to a settlement in India, as elsewhere, is an accurate survey of the area subject to payment of revenue.

In the greater part of Bengal and Bihar and Orissa, the eastern districts of the United Provinces, and parts of Madras and Assam, where the revenue has been settled permanently—in Bengal and Bihar and Orissa in 1793 in the other provinces somewhat later—the settlement was based on the preceding temporary settlements, detailed enquiries regarding outturns and rates of rent being expressly forbidden. Consequently, until quite recently, the greater part of this area remained without a detailed survey and record, but the fiscal and administrative inconveniences which resulted have rendered it necessary to bring it into line with the temporarily settled areas and the whole or it will, in the course of the next few years, possess proper cadastral survey maps and records. Outside the permanently settled areas the settlement is based on a field-by-field survey. The cadastral map is in some cases prepared by the scientific staff of the Survey Department, but in other cases that staff only furnishes skeleton data and the rest of the work is completed by the local revenue staff. A separate map is prepared for each village and in this map are shewn the separate fields which make up the holdings, the ultimate unit of assessment. In the *ryotwari* provinces of Bombay and Madras holdings run much smaller than in most of the *zamindari* provinces and are often only a fraction, known as a "sub-division" of a field. In those provinces the boundaries of sub-divisions as well as of fields are demarcated on the ground. The survey in Madras is carried out in greater detail than elsewhere. In addition to the village map each field is separately mapped and the subdivisions, if any, are shown on the map. The maps in which all measurements are given and the position of the boundary stones indicated are bound up together to form an atlas known as the "field measurement book". Upon the basis of the cadastral map in all provinces is prepared a ledger of holdings, the primary object of which is to show from whom the assessment of each holding or field or subdivision is to be realised.

and the amount to be realised in each case. Except in Madras, this record is not, however, merely, a fiscal record, but either in itself or in conjunction with other records forms a "record of rights," that is, it shows to a greater or less extent all rights in the land including incumbrances on it and tenants' rights in it. It has a presumptive force in courts of law, being held to be correct until the contrary is proved. As a general rule persons interested are required under legal penalties to report all changes for insertion in it. In most provinces it is corrected annually or at short intervals.

§ 3. METHODS OF SETTLEMENT ADOPTED IN THE DIFFERENT PROVINCES.

Under native rule, the assessment was usually represented as a fraction of the gross produce. At the present time, except, of course, in the permanently settled tracts and in Bombay, where the assessment is not defined in terms of the produce at all, the revenue throughout British India is fixed on the basis of a share not of the gross but of the "net produce" or "net assets," as it is termed in the *zamindari* Provinces. The exact meaning of the term "net produce" or "net assets" will be brought out in the description which follows of the methods adopted in the different provinces for determining the assessment to be imposed.

(a) *United Provinces.*

It is necessary to describe very briefly the system which was formerly in force in the United Provinces in order to give a clearer idea of that which is now followed. At the second regular settlement after the province came under British rule, the assessment was based on the average rental assets. But little reliance could be placed on the rents as recorded by the village accountants and the assets had, therefore, to be calculated on the basis of the rates of rent which the Settlement Officer found were being paid in the locality. The area to be settled was divided up into circles, the soils in the circle were classified and standard rates of rent were fixed for each class. Up to 1868, the soil of each field was classified separately, but in that year the work of soil classification was very greatly reduced by the system of demarcating blocks on the village map. It is important to notice that, under this system, the estimated rental on which the assessment was based might be higher than the amount which was actually paid in a given village, but it represented the rent which the Settlement Officer believed from his inspection of the village could be paid. In 1872, it was thought that the records of the village accountants had so improved in accuracy that they could be used as a basis for assessment. Steps were accordingly taken to ensure the more careful preparation and check of the rent papers, and revised settlement rules were issued in 1884 and 1886. The change effected by these rules is that whilst formerly the important factor in assessment was

the circle rates as ascertained by enquiry and selection, the system now in force takes the actual rents recorded by the village accountants as the basis of assessment and only uses the circle rates as a check to enable it to be decided whether the recorded rents are sufficiently genuine and stable to be accepted as the basis of valuation. If they are not, the valuation of the land is made according to the accepted rent rates or by some other system, the use of which has to be justified. No prospective increase of rents is now considered in calculating the assets. The proportion of rental assets, which was taken at the second regular settlement was fixed at 50 per cent., or one-half, and this proportion has not been altered since.

(b) *The Punjab.*

In the Punjab it is assumed, as in the United Provinces, that the normal competition rents paid on rented lands are a fair index to the net assets of proprietors generally. But in the Punjab, unlike the United Provinces, rents paid in cash are not at all widely prevalent and it is, therefore, seldom that they afford an accurate guide to the net assets, which have to be determined in some other way. The area to be assessed is accordingly divided into circles and the cultivation in each circle is classified, either according to the soil or the method of irrigation or both. The area of crops grown in each class is ascertained, an average rate of outturn is estimated and the value of the result is worked out by applying certain accepted average prices. The figure thus arrived at represents the value of the gross outturn. To this, after deducting certain items, such as fodder crops, payments to village menials, etc., is applied a percentage representing the average rate of grain rent recorded and the result is usually accepted as approximately the value of the net assets, though it may be modified by a comparison with an estimate of what the rental assets would be if the cash rents actually recorded were uniformly paid over the whole of the tract. It is obvious that the method followed in the Punjab cannot give as trustworthy an approximation to the real net assets as that adopted in the United Provinces. Although, therefore, the standard of assessment is represented as in the United Provinces, by one-half the net assets, this standard has not, in the Punjab, been looked upon as deciding the average assessment but as fixing a maximum which should not be exceeded. In settlements recently sanctioned the percentage of the half net assets taken has, in some cases, fallen below 50.

• (c) *Central Provinces.*

In the Central Provinces, whilst the actual cash rents are taken as the net assets, a complication arises from the fact that in that province, rent as well as land revenue are fixed by Settlement Officers at settlement, which therefore resolves itself into the fixation of suitable cash rentals. The method adopted to accomplish this object is as follows. In every district a number of soils of different quality and varying productiveness, 10, 12 or more

number, are distinguished. In addition to these, the position of each field is taken into consideration so far as this affects its productive capacity. In order to arrive at a correct valuation of the land a system has been devised by which each different soil is represented by a proportionate numerical factor of value and this factor is diminished or increased in a fixed ratio for each different position in which a field may lie. The numerical factor is considered to be the equivalent of the same number of soil units, and from this circumstance the system of assessment in the Central Provinces is known as the "soil unit system." The proportion by which rentals generally can be enhanced on the ground of rise in prices, improvements in communications and increased cultivation is first determined. The average rent paid by one soil unit is obtained by dividing the total number of soil units in the village into the rental of the village. The rental which one soil unit would pay according to the percentage of enhancement determined is then calculated, the result being known as the "unit rate." The rent for each field or holding is deduced by multiplying this figure by the number of soil units contained in the field or holding. This process ensures the special circumstances of each village being taken into consideration. When the deduced rent has been calculated, it is compared with the existing rents and, if necessary, a lower rate is fixed. The rental value of the home farm of the proprietors of the village is calculated in the same manner and the income they derive from forest grass, trees or other forest produce is included at a low valuation. The total constitutes the "assets." The Settlement Officer then proceeds to determine the share of the assets which shall be taken by the State. This has hitherto been somewhat in excess of 50 per cent but is gradually approximating to that percentage. In the *ryotwari* provinces, where, as already pointed out, the State deals directly with individual cultivators and there are, in the great majority of cases, no rents on the basis of which the share of the State could be calculated, instead of a proportion of the "net assets," a proportion of the net produce is adopted, except in Bombay which has a system entirely its own, based on general considerations.

(d) *Bombay.*

In Bombay fields are classified according to the depth and quality of the soil, their situation and natural defects such as liability to inundation and the like. On the basis of this valuation they are placed in a class corresponding to a certain *anna* (1) valuation or fractional share of the maximum rate calculated in terms of sixteen. Villages are grouped into blocks with reference to their nearness to markets and to means of communication and other economic conditions. The maximum rates for the blocks are then fixed with reference to these conditions and to average prices. Under this system, a field bearing a twelve *anna* valuation if situated in a vil-

(1) One *anna* = $\frac{1}{16}$ rupee. At the present rate of exchange of fifteen rupees to the *pound*, an *anna* is therefore exactly an English penny.

lage with a maximum rate of Rs. 4 (5s. 4d.) would be assessed at Rs. 3 (4s.) per acre.

(c) *Madras.*

In Madras, where in 1855 one-half the net produce took the place of 30 per cent of the gross produce as the maximum allowed to be taken by the State, Settlement Officers carefully examine the economic history of the tract under settlement, its resources, climate and soil. Soils are divided into series, the most important of which are "black" and "red ferruginous," and these again are divided into classes according to their chief constituents, clay, loam or sand. There is a further sub-division into sorts, usually five to each class according to quality. Again, there is a main division into "wet", that is, irrigated, and "dry" lands, but lands irrigated from purely private sources, e.g. wells, are classed and assessed as dry. Certain representative food staples are then selected and the average outturn is ascertained by numerous crop experiments on the different soils. Experience now enables crop experiments to be dispensed with. The outturns are then valued at a commutation rate rather — often much — below the average of the prices of the previous twenty non-famine years and from this valuation a deduction of about 15 per cent is made for the difference between market and village prices and a further deduction, usually 20 to 25 per cent., for vicissitudes of season and unprofitable areas. From the results so obtained a still further liberal deduction is made for cultivation expenses, which are estimated according to soil. The balance represents the value of the net produce, of which a nominal half forms the assessment. The rates thus obtained, rounded off to the nearest *anna*, are then applied to the respective soils. Further allowances are made under the system of grouping villages according to their position with reference to communications, markets, etc., and of classifying irrigation sources according to their capacity. When second crops on wet land are irrigated by Government water, the charge levied is generally half that for the first wet crop, but for second unirrigated crops, whether on wet or dry land there is no charge.

(f) *Burma.*

In Burma, the system followed is much the same as in Madras but the methods adopted are somewhat simpler. In Burma as in Madras, 50 per cent of the net produce is looked upon as the theoretical maximum, but in practice the actual rates imposed represent much less than this. In Lower Burma for the present the provisional rates are fixed with reference to the rates previously existing and for this reason approximate more closely to the quarter of the net produce than to one half. At present, therefore, the quarter of the net produce may be regarded as the provisional standard for Lower Burma. To arrive at the rates, land is classified according to fertility, the approximate productiveness of each class being ascertained

by crop measurements and the money value of the gross produce is arrived at after consideration of average prices extending over a considerable period of years. From this is deducted the cost of cultivation, computed on a liberal scale and the rates are based on the net remainder.

(g) *Assam.*

In Assam until recently the settlement was of a distinctly rough and ready nature. The village was the unit of assessment and land was divided into three classes — homestead, transplanted rice land and other land. More modern principles have now been introduced and the soil unit system has been borrowed from the Central Provinces.

§ 4. ADDITIONS TO AND DEDUCTIONS FROM THE REVENUE DEMAND.

The additions to and deductions from the land revenue made by the State have now to be described. In the period anterior to British rule, it was a favourite device, whilst leaving the land revenue nominally at a fixed proportion of the produce, to raise it very considerably by the addition of cesses. The only cess that is now levied is the local rate, the proceeds of which are devoted to such local objects as roads and schools, dispensaries and sanitation, and are administered by local Boards. In the *zamindari* provinces, with the exception of the Central Provinces, this local rate is assessed on the rental, in Bengal at $6\frac{1}{4}$ per cent., in the Punjab at 5.2 per cent., in Agra at 5 per cent. and in Oudh at $5\frac{1}{2}$ per cent., but in the two last-mentioned provinces part of the proceeds is devoted to the maintenance of the village watch. In the Central Provinces and in the *ryotwari* provinces, the cess is fixed at a proportion of the revenue. In the Central Provinces, the rate is $5\frac{1}{2}$ per cent., in Lower Burma 10 per cent., in Assam 8.3 per cent. and in Madras and Bombay $6\frac{1}{4}$ per cent.

(a) *Deductions for land held revenue free or on favourable terms.*

As regards deductions, the first point to be noticed is that a very large extent of land in India is held either entirely free of revenue or at a revenue which is considerably below that which would ordinarily be levied. Such lands may roughly be divided in two classes, those which are the survival of grants made by former Governments to court favourites, for religious and charitable purposes, or as rewards for public, military and other services and those held by village officers, the headman and accountant, and village servants such as the carpenters, blacksmiths, barbers, etc., as part of their emoluments. The grant of land either revenue-free or at a reduced revenue was a method of rewarding services very frequently adopted by rulers in pre-British times and grants so made, if held on anything approaching a valid title, were respected and continued by the

British. To grants made for religious and charitable purposes conditions were frequently attached, such as the maintenance of a temple, rest-house for travellers, grove of trees or well. In these cases the grant is liable to be resumed if the services for which it was granted are not kept up and the same conditions attached to the grants held by village servants. The remaining grants of the first class which may be considered personal in their nature and the grants held by village officers who are now paid out of the public exchequer have in many cases been enfranchised, that is, freed from the conditions on which they were originally granted or continued (such as, for example, in the case of personal grants the condition that the holder must be a lineal descendant of the original grantee) and made over to the holder in full property subject to the payment of quit-rent which is, in fact, a permanent light assessment.

(b) *Deductions to prevent sudden large enhancements.*

Turning to the deductions which are not of a permanent nature as in the case of those which have just been considered, the first class to be mentioned are the deductions which are made in order to prevent the hardship caused at a re-settlement by a sudden large enhancement of the revenue imposed. In Bombay the enhancement which can be taken at a re-settlement is definitely limited by law. It cannot exceed 100 per cent for an individual holding, 66 per cent for a village and 33 per cent for the tract under settlement. In all provinces, rules have been laid down for making enhancements progressive over a series of years. Thus in Madras, the enhancement which may be imposed at once is limited to 25 per cent., the balance being imposed by annual instalments, not exceeding $12\frac{1}{2}$ per cent. on the original assessment.

(c) *Deductions to favour improvements.*

The second class of deductions of a temporary nature are those the object of which is to favour improvements, such as the construction of wells, irrigable channels or tanks (artificial reservoirs) carried out by a landholder at his own expense. In Madras and Bombay, all such improvements, whether effected by the cultivators entirely from his resources or with the assistance of a loan taken from the State are exempted in perpetuity from assessment. In the *zamindari* provinces the State has not however, similarly surrendered all share in improvements. The principle followed is that additional assessment should not be imposed until the private labour or capital expended upon them has had time to reap a remunerative return. In the Punjab, Bengal and Bihar and Orissa, the term of exemption has been fixed without reference to the term of settlement at 20 years for masonry wells, five years for canal distributaries and 10 years for other irrigation works. In the United Provinces and in the Central Provinces, irrigation works not constructed by Government are exempted for the term next following their construction. As the term of

the settlement in the former provinces is 30 years and in the latter 20 years, this means that the average period of exemption in the one case is 45 years and in the other 30 years. The rules of all these provinces provide for the grant of longer terms of exemption in special cases.

(d) *Deductions on account of bad seasons.*

The last class of deductions to be mentioned are not connected with the settlement procedure, but it is convenient to deal with them here. They are those which are made on account of bad seasons. The description of the way in which the State's share of the produce is fixed will have shown that in theory it is presumed that sufficient account is taken of bad seasons in fixing the assessment and that the revenue in a bad year should be met from the surplus left in good years. But partly owing to the improvident nature of the Indian cultivator and partly to the fact that serious calamities have a habit of upsetting all calculations, this theory has never worked in practice and throughout the period of British rule large remissions have been granted during famines and other calamities. The principles which should be followed in granting suspensions or remissions of revenue were clearly defined in a resolution issued by the Government of India in 1905, with a view to making the system more elastic than had hitherto been the case. Widespread calamities such as famine, drought and general failure of crops and local calamities such as are occasioned by hail, floods or locusts are dealt with somewhat differently, but the general principle which is followed in both cases is that no relief is given for a failure of less than half the normal crop. When the crop is between three-eighths and half the normal the relief given amounts to 25 per cent., increasing to 50 per cent for a crop between a quarter and three-eighths the normal and to one hundred per cent. when the crop is less than a quarter the normal. Suspensions and remissions are not granted in the cases of the permanently settled tracts as their revenue is light, nor are they necessary in the case of the exceptional tracts in the Punjab and Upper Burma, in which either because they are subject to floods or else are practically rainless, the system of a fixed assessment in force everywhere else has been abandoned as unsuitable and a fluctuating assessment system has been substituted for it. Under this system the land is assessed by a cash acreage rate on the crops of each harvest so that the revenue varies with the area actually cropped.

§ 5. MISCELLANEOUS QUESTIONS RELATING TO LAND REVENUE.

(a) *Period of settlement.*

After this brief discussion of the principles on which the Government share of the produce is fixed, the next point which naturally arises is the period for which it is fixed. In the more advanced provinces, Madras, Bombay and the United Provinces, the period for which it is announced at a

settlement or a re-settlement that the rates of revenue then fixed will not be altered, is thirty years. In the Central Provinces, Burma and the Punjab, the standard period is twenty years except in the Cis-Sutlej districts of the latter province, where the thirty years' term is adopted. In Assam even shorter terms are permitted but the period accepted for recent settlements has been twenty years. The reason for this differentiation between the different provinces can best be given in the words of a Resolution of the Government of India, issued in 1902. "Where the land is fully cultivated, rents fair, and agricultural production not liable to violent oscillations, it is sufficient if the demands of Government are re-adjusted once in thirty years, that is, once in the life time of each generation. Where the opposite conditions prevail, where there are much waste lands, low rents and fluctuating cultivation, or again where there is a rapid development of resources owing to the construction of roads, railways or canals, to an increase of population, or to a rise in prices, the postponement of re-settlement for so long a period is both injurious to the people, who are unequal to the strain of a sharp enhancement, and unjust to the general tax-payer, who is temporarily deprived of the additional revenue, to which he has a legitimate claim." In this connexion, it must be pointed out that a revision of assessment does not now mean a fresh survey of the land, a fresh classification of soils or a fresh record of rights. In the *zamindari* provinces, maps and records are now as a general rule, so accurately kept up to date that but little is required to enable them to be used as the basis for a re-settlement. In the *ryotwari* provinces, the existing classification of soils is not altered at a re-settlement unless it is clear that a bad mistake has been made. Indeed in Bombay, it has been expressly laid down by law, that a classification of soil made for the second time or once approved as final is incapable of revision.

(b) *Powers of recovery of land revenue.*

All the questions relating to the amount of the revenue paid to the State and the most important incidence of the tenure of land relative to the State, have now been briefly discussed. The State has reserved to itself very extensive powers of recovering that revenue. The law on the subject in Bengal and Bihar and Orissa is peculiarly strict. In these provinces, the case both of permanently and temporarily settled estates, an estate liable to be put up to summary auction if the revenue on it is not paid at sunset on the date on which it falls due. In other provinces the procedure is less summary. As a general rule, the defaulter is presented with a writ of demand. If he fails to comply with this, his movable property is seized and proceeded against, then the immovable property on which the default has been made, then any other immovable property he may possess. It is also possible to arrest and confine the person of a wilful and stubborn defaulter. In the vast majority of cases the service of a writ on the defaulter or a threat of attachment is sufficient and sales of land for arrears of revenue are becoming less and less frequent.

(c) *Restrictions on alienation, transfer, etc.*

Until comparatively recent times it was the case that a land holder under British rule was permitted to do what he liked with his land, that is say, he had the fullest powers as regards sale, mortgage or gift, provided he paid the revenue on it. In the *ryotwari* provinces he has only these powers but he is also able to relinquish his holding or any part of it within certain limits, if he finds its cultivation unprofitable, after giving notice sufficiently long before the close of the agricultural year. It was, however, found in many provinces that the unrestricted exercise of the right of transfer was gradually bringing about the disintegration of the larger estates and the transfer of both large and small estates from the agricultural to the non-agricultural classes, a state of affairs which the Government could not view with equanimity. Steps have been taken to preserve the estates with historic traditions by means of legislation preventing their partition, permitting temporary management to be assumed by Government and enforcing transmission by primogeniture. The Sind and Jhansi Land Revenue Act, the Gujarat Talukdars Act and the Madras Immovable Estates Act are examples of legislation of this kind. Much the most important measure passed with a view to protect the smaller landholders is the Punjab Land Alienation Act of 1900, under the provisions of which the Government has notified certain tribes as agricultural tribes. A member of an agricultural tribe may not, without permission, sell or otherwise permanently alienate his land to any one who is not a member of the same agricultural tribe or group of tribes. For the present all the agricultural tribes in a village are counted as being in one group. Similarly a member of an agricultural tribe may not mortgage land to any one who is not a member of the same tribe or group of tribes unless the mortgage is in certain specified forms which fix a limit to the period of usufructuary possession or else secure the retention of the cultivating possession by the mortgagor. Legislation of a similar character is in force in the Bundelkhand district of the United Provinces and in Ajmere. In the Central Provinces, no landholder can alienate his land without retaining the occupancy right in his home and unless a transfer without reservation has previously been sanctioned by Government. In Bombay since 1901 the practice has been to grant unoccupied unalienated land and land which has been forfeited for non-payment of arrears of revenue free of all incumbrances to an occupant on condition that it shall not be mortgaged or otherwise alienated. Failure to observe this condition involves the forfeiture of the holding.

(d) *Charge levied for irrigation.*

A word should here be said regarding the charge levied for irrigation when water is taken from a Government source. In the *ryotwari* provinces this charge forms part of the assessment. Under the great irrigation systems of North India it is levied separately and is known as the "occupiers'

rate." It is fixed at a seasonal rate of so much per acre irrigated, the rate varying according to the crop and as the water flows on to the land or has to be raised to it by the cultivators. The charge when water has to be lifted to the land is usually one half that levied when it flows directly on to it. In addition, an "owners' rate" is levied in some tracts. This is a rate payable by the owner on land which was assessed at the current settlement as unirrigable and has subsequently been brought under irrigation. It is thus, in effect, an assessment on the improvement in the land which has been brought about at the cost of the State.

(To be continued.)

MEXICO.

THE FEDERAL LAND TAX AND THE DISTRIBUTION OF RURAL LANDED PROPERTY.

SOURCES: — OFFICIAL PUBLICATIONS:

DECRETO EXCEPTUANDO DEL PAGO DEL 30 % ADICIONAL DE TIMBRE LOS ENTEROS QUE RECAUDEN LOS ESTADOS DE LA UNIÓN O SUS MUNICIPIOS A TÍTULO DE VARIOS IMPUESTOS Y ESTABLECIENDO UN "IMPUESTO PREDIAL FEDERAL DEL TIMBRE", SOBRE TODA FINCA RÚSTICA DE LA REPÚBLICA CON EXCEPCIÓN DEL DISTRITO FEDERAL Y TERRITORIOS (*Decree Exempting from Payment of the Additional 30 % Stamp Duty the Amounts Recovered by the States of the Union or their Municipalities in Various Taxes and Establishing a "Federal Stamp Duty for the Land Tax" on all Landed Property in the Republic, Exclusive of the Federal District and the National Territories*). Mexico, June 1st., 1914. Published in the *Diario Oficial de los Estados Unidos Mexicanos*, No. 41. June 17th., 1914.

DECRETO PARA EL COBRO DEL IMPUESTO PREDIAL FEDERAL SOBRE TODA FINCA RÚSTICA DE PROPIEDAD PARTICULAR UBICADA EN LOS ESTADOS DE LA UNIÓN (*Regulations for the Collection of the Federal Land Tax on all Rural Landed Property belonging to Private Persons Situated in the States of the Union*). Mexico, June 15th., 1914. Published in the *Diario Oficial*, No. 49. June 26th., 1914.

DECRETO AFLAZANDO PARA EL 1º DE ENERO DE 1915, LOS EFECTOS DE LA LEY DE 1º DE JUNIO DE 1914, QUE CREÓ EL "IMPUESTO PREDIAL FEDERAL" (*Decree Establishing the 1st. of January 1915 as the Date for the Coming into Operation of the Law of June 1st., 1914, Establishing the Federal Land Tax*). Mexico, July 8th., 1914. Published in the *Diario Oficial*, No. 7. July 14th., 1914.

OTHER PUBLICATIONS:

AGUIRRE (Luis): El Problema de la pequeña propiedad (*The Problem of Small Holdings*).

Mexico, Printing Press and Phototype Office of the Fomento Department, 1911.

EL ECONOMISTA MEXICANO (*The Mexican Economist*).

EL HERALDO AGRÍCOLA (*The Agricultural Herald*).

We have already once before occupied ourselves with the Mexican land question in its various phases, at the same time analysing its causes and effects (1). We shall not, therefore, return to what has been already said, and shall only repeat that the fundamental cause of the agrarian disturbances in Mexico is undoubtedly the unsatisfactory way in which the land is distributed, through its concentration in the hands of a small number of persons and its imperfect utilisation.

1: See the numbers of this Bulletin for May and June, 1914.

This has, indeed, been understood by the first Minister of Agriculture of Mexico, who, when the Department of Agriculture and Colonization was created last February, made the first item of his programme the solution of what has been called the land problem, that is the national economic problem of the distribution of land and the best method of solving it. The Minister said that, although recently there has been observed a general spontaneous tendency among the land holders themselves to divide and subdivide their rural holdings, this must be further encouraged by the State. One of the means that might promote this end was, in his opinion, a better system of levying the land tax, the existing method being very faulty, because based exclusively on the declaration of the value of the holdings made by the owners, and he proposed that the tax should be levied on the real produce of the soil, taking into consideration the value and the fertility of the land in each case.

In accordance with this view, the *Federal Stamp Tax on Land* was instituted by law of June, 1914.

The Mexican constitution does not allow the Federation to legislate regard to taxation of land, which is a matter for the several States to deal with. So the local taxes were increased so much per cent. Thus, the land tax is substituted for the additional 30 % stamp duty on amounts collected by the States of the Union or the Municipalities as land tax on rural holdings, irrigation and the concession of water rights within the jurisdiction of the federal or local authorities, or as additional taxes increasing the rural land tax.

The Federal Stamp Tax on land is to be paid on all land of private ownership within the territory of the Republic, exclusive of the Federal District and the National Territories; it will be collected by means of the lists published annually by the Department of Agriculture and Colonization in agreement with that of Finance and Public Credit.

For the purposes of the law, by rural holdings shall be understood the holdings situated outside the boundaries of inhabited centres; there will be exemption for areas occupied by buildings. However, all land utilized for agricultural purposes shall be considered as rural land irrespective of where it is situated. Rural holdings are classified as follows for the purposes of the land tax:

- (a) First Class Irrigated Land;
- (b) Second Class Irrigated Land;
- (c) Third Class Irrigated Land;
- (d) First Class Land, Half Irrigated;
- (e) Second Class Land, Half Irrigated;
- (f) Land that can be Flooded;
- (g) First Class *Temporal* Land (Depending for water on the rain);
- (h) Second Class *Temporal* Land (Depending for water on the rain);
- (i) First Class Pasture Land;
- (j) Second Class Pasture Land;
- (k) First Class Wooded and Forest Land;
- (l) Second Class Wooded and Forest Land;

- (m) Land Unsited for Agriculture and Summer Grazing;
- (n) Land Planted with *Maguëys*, grown for their fibre from which alcohol or *pulque* is made;
- (o) Land Covered Totally or Partially with *Guayule*;
- (p) Land Covered Totally or Partially with Other Forest Plants of Well-Known Commercial Value in Utilisable Quantities.

For the purposes of the law, irrigated land is such as is supplied with permanent water sufficient for the purposes of the farm. The holdings capable of being flooded are those which, although neither completely or half irrigated, are in such a position that they can be inundated or already have been flooded and derive benefit thereby. The *temporal* land is such the cultivation of which depends on the rainfall. The summer grazing grounds are uncultivated areas producing only grass or other plants on which cattle can feed. The other classes of holdings mentioned above require no explanation.

The commissions for verification (*juntas calificadoras*) instituted by the law, of which we shall speak hereafter when dealing with the *manifestaciones* or declarations the landowners must make, will classify the holdings, woods, forests, etc., taking into consideration their fertility, the water supply, the crops grown on them, the quality of the grazing ground, the commercial value of the forest trees, the distance from centres of consumption, the means of communication and the facilities offered for transport etc.

The following holdings are exempted from payment of the land tax:

- (1) All holdings considered as *small holdings*;
- (2) National land and waste land (*baldíos*), land belonging to the Federation or to the States and Municipalities as their own property;
- (3) Land belonging to the States, and not subject to taxation, whether because expressly exempted or because the State levies no tax on land;
- (4) Holdings considered as small holdings, leased by their owners or farmed as *metairies*, provided the lessee or metayer is not proprietor, lessee, metayer, or usufructuary of an other holding;
- (5) Land granted by the proprietors, lessees or metayers to their labourers free of charge, provided the area does not exceed the standard fixed for small holdings;
- (6) Woods and forests of private ownership, the preservation of which is indispensable in the opinion of the Department of Agriculture and Colonisation on grounds of public utility, provided that, the proprietors exploiting them expressly engage to conform to the rules laid down by the said Department in respect to their exploitation and preservation.

Woods and forests cannot benefit by the exemption in favour of small holdings, whatever their area or the class to which they belong, except under the conditions mentioned.

The exemption above contemplated in favour of small holdings once established, it was necessary to assign a precise meaning to the term, or at least to establish, for purposes of the tax, the area of the holdings to be counted as "small holdings". This was above all necessary in a country like

Mexico, where, in consequence of the varying conditions and circumstances in the different States, it was not possible to establish a uniform proportion of contribution for the whole territory, as, in fact, a *small* holding in the State of Chihuahua, for example, would be a *large* holding in that of Tlaxcala. Besides this, account had also to be taken of the different kinds of soil for each holding. Thus, in view of the agricultural and economic conditions of each region, the law we are dealing with has established the following table of areas of small holdings of different classes of soil.

Area of Holdings to be considered as Small Holdings in each State of the Union according to the character of the Holding.

States	Area in Hectares			
	Irrigated Land	Land Half Irrigated and that can be Flooded	Land Depending for Water on the Rains	Pasture Land
Agua Calientes	4	8	16	32
Campeche	6	12	24	48
Coahuila	8	16	32	64
Colima	4	8	16	32
Chiapas	6	12	24	48
Chihuahua	8	16	32	64
Durango	6	12	24	48
Guanajuato	4	8	16	32
Guerrero	8	16	32	64
Hidalgo	4	8	16	32
Jalisco	4	8	16	32
México	4	8	16	32
Morelos	4	8	16	32
Michoacán	4	8	16	32
Nuevo León	8	16	32	64
Oaxaca	6	12	24	48
Puebla	4	8	16	32
Quercétaro	6	12	24	48
San Luis Potosí	4	8	16	32
Sinaloa	6	12	24	48
Sonora	4	8	16	32
Tabasco	6	12	24	48
Tamaulipas	8	16	32	64
Tlaxcala	4	8	16	32
Veracruz	4	8	16	32
Yucatán	8	16	32	64
Zacatecas	6	12	24	48

In case a holding consists of land belonging to two or more of the above classes, one hectare of irrigated land is taken as equivalent to two hectares of land half irrigated or that can be flooded, to four hectares of land depending for water on rains and eight hectares of pasture land.

The exemption of the small holding from the land tax ceases if the landowner benefiting thereby is also proprietor, lessee, metayer or holder of other landed estate by a similar title.

The law terminates the list of exemptions from the land tax, by authorising the Department of Agriculture and Colonisation to exempt colonists from payment of this tax when it stipulates colonisation contracts with them; but this exemption only takes effect from the date on which the holdings are actually colonised.

For the application of the law, in the chief town of each district, canton, division or commune, a *Verification Commission* is to be instituted, consisting of five landowners resident in the locality, elected by the other rural landowners of the locality, a member of the municipal council appointed by that body and the stamp tax officer of the locality. These commissions must investigate the truth of the statements presented by the landholders of their district to the Stamp Office, consider to what class the holdings belong, according to the information furnished by the owner and their own personal knowledge or information received from the local tax officer of the State, and determine which holdings are to be exempted from payment of the federal land tax.

The services of the members of the Commission shall not be remunerated: the members shall be elected for a year.

In their declarations the landowners must give: (a) the name of the holding; (b) the name of the owner; (c) the area of the holding, with very clear indication of the irrigated area, the quantity of water, the area of the land half irrigated, the area depending on rain for water, etc., the area covered by *maguay*, *guayule*, forest plants of commercial value, etc.; (d) the value of the livestock on the holding; (e) the kind of crops cultivated and the approximate distance from the nearest lines of communication and transport, and the nearest centres of consumption; (f) the value of the holdings on the holding. The Stamp Office will open a special register for these declarations.

If the Verification Commission finds a declaration inaccurate, the Stamp Office will provisionally fix the tax according to the opinion of the Commission or at his own discretion. If the proprietor accepts the charge so established, it remains definitely fixed; otherwise he must make his objections within ten days from the date of notification, at the same time presenting a certificate at the Department of Finance, in witness of his having deposited the amount of his annual contribution, together with everything else, the plans, and title deeds, he shall consider sufficient to prove the accuracy of his declaration. On his side, the Stamp Officer, shall immediately report to the Department, forwarding copy of the declaration presented by the landowner, together with the evidence on which the Commission of Verification based its decision. Finally, the Department of Finance, after examination of the documents presented by the Stamp Officer and the landholder, shall decide, amending or confirming the tax established by the Commission, and fixing from henceforth the annual

rate of contribution to be paid on the holding for the financial year in course.

When undertaking this examination, the Department of Finance, if it thinks fit, may appoint an expert to examine into the accuracy of the statements; in such case, the landholder has also the right, on his side, to appoint another expert. The remuneration of the expert appointed by the landholder shall in any case be at the expense of the latter.

The Verification Commission and the Finance Department shall take no account of errors up to the amount of 15 % in the statement of the real value for the purposes of the annual land tax; but, if the difference discovered is more serious, they shall impose on the landowner a fine equivalent to three times the amount of the annual tax due, without prejudice to any legal penalties incurred by him. Further, in this case, the expenses of the expert appointed by the Department shall be borne by the landlord.

Every change that is made in the ownership of a holding must be declared for registration in the special register the Stamp Office will open.

Finally the law establishes that the General Stamp Office shall each year prepare a statistical table of the receipts obtained by means of the land tax.

This law was to have come into force on the first of July of the present year; but, seeing that for its execution certain preparatory work was indispensable, and taking account of the abnormal situation in certain regions of the country which made it impossible to prepare the lists for purposes of taxation as required by the law and even to arrive at an accurate assessment, the Government has postponed the date for its coming into effect to January 1st., 1915.

It is evident from the provisions we have mentioned that the Mexican Government in establishing the federal land tax, did not consider the gain the Treasury would derive from it, but intended indirectly to obtain two ends, which have been for some time the object of its land policy: (1) a better distribution of the land, to be attained by encouraging the subdivision of the immense *latifundia* into small holdings and promoting the colonisation of the country districts; and (2) the increase of the national production and the better utilisation of the land.

In fact, the interests of the landholders will not suffer, as this is no new tax, but only what they are now paying already, an additional 30 % added to the local tax; the only change is in the distribution of the tax after a more equitable manner and only those, who have received concessions which cannot justly be allowed, will suffer.

When we dealt with the land problem in Mexico (1), we said that of the 1,600,000 sq. kms., constituting the area capable of cultivation in the Republic, at present scarcely a fourth part is cultivated, and the cause of this is the notorious concentration of land in the hands of a small number of landholders. The *latifundia* belong in large part to distinguished families who have not the capital to work them, or to private persons or societies

(1) See the numbers of this Bulletin referred to above.

who have bought them on the *denuncia* system and who do not intend to work them, but to speculate in land; for these reasons, in both cases the land remains uncultivated. Now, when the tax is levied on the holdings in proportion to their power of production, persons will scarcely be found who consider it to their interest to hold land which, not only produces nothing, but, on the contrary, is subject to a fixed tax. So that, the Government hopes that the proprietors will subdivide their holdings in order to sell them and thus favour the formation of small holdings, or will lease them or give them to metayers to work, or to other farmers free of charge, and so encourage colonisation. The new distribution of land brought about by the subdivision of *latifundia* will also make it possible to work the arid territories, which will thus no longer remain uncultivated.

We said above that the second object of the law was the increase of production and the proper utilisation of the land. In fact, the fertility of the soil, the cheapness of labour, and the high price of agricultural products now enable proprietors who cultivate their own holdings to obtain large profits both by extensive cultivation and by livestock improvement. Now, when the tax is imposed on land in accordance with its capacity for production, estimated from the quality of the land, the facilities for irrigation etc., the landowners will have to make up their minds to change their system of farming altogether or in part, for better and more scientific methods, if they wish to derive a profit from their holdings. In this way, there will be an increase of production through the cultivation of all the now unutilised.

These are the results the Government hopes to attain by the application of the law we have dealt with above, as well as by means of other measures it proposes to make. All are contained in its programme, the effect of which is to obtain that the largest possible number of individuals may be distributed in the country as units of production, under conditions as to make their economic prosperity and independence possible and that this may in turn render possible the development of the elements and the utilisation of new sources of production and wealth.

NOTICES OF SOME RECENT PUBLICATIONS RELATING TO AGRICULTURAL ECONOMY.

GENERAL.

L'AGRICOLTURA E LA GUERRA. (*Agriculture and the War*). Special Number of the "*Giornale di Agricoltura della Domenica*." Piacenza, no. 43, October 25th., 1914.

In this special number of the "*Giornale di Agricoltura della Domenica*" (Sunday Agricultural Journal), entirely devoted to the study of some of the more urgent agricultural problems of the belligerent and neutral nations, with the help of statistics, diagrams, a concise statement of facts, together with other information and documents, an investigation is made into the agricultural resources of the nations in conflict, the amount of consumption and the requirements occasioned by the state of war and the possibility of providing for them.

Specially worthy of mention are the articles of Giovanni Raineri on Russia today, in which he gives an outline of the agricultural reform and the efforts made by the Russian Government for the improvement of the land and the economic and moral progress of the peasants, and also the articles of Arrigo Serpieri on the better cultivation of grain, and of Francesco Coletti on the Amount of Grain Required and State Intervention. Finally, there is an interesting section containing observations and opinions of technical experts on the best method of insuring a supply of grain up to the time of the next harvest and an abundant production of grain in 1915.

VARIOUS COUNTRIES.

WIRTH (Dr. ALBRECHT): *Der Balkan, seine Länder und Völker in Geschichte, Kultur, Politik, Volkswirtschaft und Weltverkehr. (The Balkans; Countries and Nations, considered in relation to their History, Culture, Politics, Economy, and Means of Communication)*. Stuttgart, Berlin and Leipzig. Union Deutsche Verlagsgesellschaft, 1914. 392 pages with 79 illustrations and map.

Dr. Wirth's book makes no claim to be a profound scientific treatise. It is a general sketch, conscientiously done, but only professing to deal in a popular and very summary manner with the general conditions of life in the Balkan Peninsula, after the conclusion of the last two wars. If

we deal with it here, it is principally because it is the first complete study that has been published in any of the great European languages of the present conditions of the Balkan States and, as such, it has a certain value as a general guide to the subject.

After two short chapters on the physical geography of the countries with which he deals and the statistics of their population, the author devotes four others entirely to the political history of the peninsula. The most interesting of all is without doubt the third, which treats of the period from the Turkish revolution of 1909 up to the beginning of the present year. This is followed by an attempted study of the ethnography of the various races inhabiting the Balkans. Here, as in the preceding chapter, we have to consider the authors' conclusions as to some extent purely personal. In any case, he makes a sincere effort to be impartial.

He next gives a sketch of each of the States, after which he deals with what is for us the most important matter, that of the general economy of these countries, their agriculture, game, fisheries, industries, commerce, mines and means of communication, the economic interests of foreign States in the Balkans, and lastly, the press and touring in these regions. From our special point of view, we cannot but regret that he has been only able to give the last fifty pages of his book to this large group of subjects.

AUSTRIA.

BERICHT ÜBER DIE VERWALTUNG VON BOSNIEN UND DER HERZEGOVINA 1913. Herausgegeben vom K. u. K. gemeinsamen Finanzministerium. Wien, 1914, aus der K. K. Hof- und Staatsdruckerei. (*Report on the Administration of Bosnia and Herzegovina in 1913. Published by the I. and R. Common Department of Finance. Vienna, 1914. I. and R. Court and State Press*). Pp. XXXV + 145.

This is the seventh report published by the Common Austro-Hungarian Department of Finance on the administration of Bosnia and Herzegovina. The other six, even more voluminous than this, dealt with the years 1906-1911; the last, the publication of which has just been authorized, deals with the years 1911, 1912 and 1913. The object of the earlier reports was twofold; they had to serve for the information of the members of the Delegations and also as works of reference for the civil servants in Bosnia and Herzegovina. The present volume is intended solely for the members of the Delegations and this is the reason of its more modest proportions, due to the omission of all that was judged to be of secondary importance. The contents have been grouped in a smaller number of chapters, each of them preceded by a short account of the progress made in the department of administration considered. The volume begins with an introduction (pp. I-XXXV) on the political history of Bosnia and Herzegovina since 1910, special attention being given to the events connected with the

introduction of the Bosnian Constitution and Diet (February 26th., 1910) and the work done by the latter. The chapters into which the volume is subdivided are entitled as follows: general remarks (population, census of livestock, emigration, repatriation); the constitution; independent organizations (diet, district and communal organizations); administration; public worship and education; press, artistic and scientific institutes; justice; public health; agriculture; forests and mines; trades; industry, and commerce; credit; railways and roads; public finances; associations; military strength and police.

As regards agricultural economy properly speaking, all the part relating to agriculture (pages 31-62) and the notices on agricultural co-operation (pp. 82-83) are of great importance. We shall return to the subject in an early number of our Bulletin.

DENMARK.

DANSKE HUSHOLDNINGSRÆGNSKABER. 3. Afdeling: Husmønd og Gaardmønd. (*Household Balance Sheets in Denmark. 3rd. Part. Rural Holdings*). Copenhagen. 1914. Published by the Danish Statistical Office, 173 pp.

The present volume contains the third and last part of the enquiry carried out by the Danish Statistical Office in connection with household balance sheets. The two preceding parts were concerned with urban workmen and rural labourers and artisans; this one aims rather at illustrating the economic situation of the farmers, divided for the purpose of the enquiry into *Husmønd* (owners of farms of a value of less than 12,000 crs.) and *Gaardmønd* (owners of farms of a value of more than 12,000 crs.) The balance sheets considered are for the year 1909.

The results given by the enquiry in this connection are very interesting and merit special study; we shall deal with them at length in an early number of this Bulletin, instituting a comparison between them and the results shown in the other two parts of the report of the enquiry.

UNITED STATES.

FIRMIN ROZ: *L'Energie américaine* (Evolution des Etats-Unis). Paris. Ernest Flammarion Editeur. 1914.

Within the limits of a single volume of the *Bibliothèque de Philosophie scientifique* the author of *L'Energie américaine* seeks not only to trace the evolution of the United States, but to interpret it for us as well. He covers

ground in many directions, dealing not only with the opening up of new lands to settlement and the progress of agriculture, but with the country's industrial development as well, with the evolution of its political theories, with its literature, its art and its ideals.

He does not write primarily with the object of conveying information. The facts with which he deals are recorded in books innumerable, and the writer of *L'Energie américaine* presents them once more only that they may furnish material for an analysis of the forces which have contributed to form the American nation. His book is primarily a psychological study, and only incidentally, a history.

AMERIKANISCHE FRAGEN. (*North American Problems*). Veröffentlichungen der Handelshochschule-München. (*Publications of the Munich Higher School of Commerce*). Published by Prof. Dr. M. J. Bonn. 2nd. Number, Munich and Leipzig, 1914. 106 pp., pp. LV + 71.

This work reproduces a portion of the lectures of the series, "Germany and her Competitors", delivered in the winter half year 1912-1913, at the Munich Higher School of Commerce. The first number, published in 1913, dealt with the fundamental problems of British economy.

Dr. Parker's article in the number before us on the immigration and colonisation policy of the United States may interest our readers.

The author investigates the subject from the point of view of German history, but also discusses many matters of agricultural economy, such as, for example, the cheap land movement, which drives many farmers of the United States of American origin to Canada, and which is encouraged by the Canadian Government and the railway societies in possession of the land.

GREAT BRITAIN AND IRELAND.

REPORT OF THE IRISH LAND COMMISSIONERS for the Period from 1st. April, 1913, to 31st. March, 1914. Dublin, 1914, A Thom and Co. Fol. XI + 135 p.

Owing to the rapid transference of the land in Ireland from the landlord to the occupier, the work of the Irish Land Commissioners in the fixing of fair rents is steadily diminishing. Thus from the latest Report we learn that in the year ending March 31st., 1914, only 2,100 fair rents were fixed whereas the total number since 1881 has been 410,150, an average of 12,428 per annum. The term for which rents are fixed being 15 years, a small number (2,944) of rents have now been fixed for a third statutory term and it is interesting to note that the third term rents averaged 9.4 per cent less than the corresponding second term rents. In

view of the admittedly increased prosperity of agriculture in Ireland during recent years the fact that the Commissioners continue to reduce the rents is significant. Probably it is estimated that the decline has been too recently checked for agriculture to have regained the level of even fifteen years ago, and, moreover, the better returns due to the farmers' own efforts (for example, the organisation of co-operative creameries) cannot be taken into account in fixing the rent.

The transactions of the Land Commissioners in regard to land purchase (apart from those of the Estates Commissioners, to which this Report does not relate) have also diminished in importance. They made, however, during the years 1913-14 advances of £ 1,082,927 to the Congested Districts Board for the purchase of estates.

We shall give further figures from this Report in a future issue

ITALY.

ZÜBLIN (Dr. ROBERT), Assistant at the R. Institute of Maritime Commerce and Universal Economy, at the University of Kiel: *Die Handelsbeziehungen Italiens vornehmlich zu den Mittelmeerländern, dargestellt auf wirtschaftsgeographischpolitischer Grundlage* [For *Commercial Relations of Italy, especially with the Mediterranean Countries, considered from the point of view of Economy, Geography and Politics*]. Jena, Fischer, 1913.

This thick volume belongs to the collection of "*Problems of Universal Economy: Essays of the Institute for Maritime Commerce and Universal Economy, at the University of Kiel*", published by Prof. Dr. B. Harns. The author has lived long in Italy and in the other countries of which he writes, and has collected the material for his essay from original sources.

According to him, the future of Italy lies in the Mediterranean, and it is a salient fact that the revival of prosperity in Italy after its unification was associated with the restoration of the Mediterranean to world wide importance, in consequence of the cutting of the Suez Canal. The dependence of the future of Italy upon the Mediterranean, according to the author, is not so evident in the efforts made to divert the emigration of Italians from America to the shores of Africa and in the military conquest of Libya, as in the progress of the commercial relations of Italy. For the sake of uniformity and a more ready comparison of the figures, in his study of these relations, the author chiefly makes use of Italian statistical material, in spite of the well-known and inevitable disagreements between it and the corresponding material supplied by other countries.

In order to make the origin and development of the foreign trade of Italy generally, and its Mediterranean trade in particular, a great deal more intelligible, the author prefaces the portion of his volume concerned with the subject by a kind of introduction, in which he deals at length with the possibilities of Italian production.

In this part he studies the three agricultural regions of Italy in their various natural conditions, and in regard to their principal crops: grain, grapes, oil, and citrus fruit; devoting special chapters to the cultivation of mulberries and the rearing of silkworms; livestock improvement; reclamation of land; agricultural class war; agricultural co-operative societies, considered in regard to their legal organization and in their various classes (co-operative societies for credit, purchase, production, production and sale, and cultivation); and concluding with the observation that now Italy has really arrived at a point when we may indeed speak of an agriculture on the way to be industrialised, an agriculture for purposes of export, even if the amount of the agricultural produce imported is increasing, but only in order to show that the country is tending to specialise in the classes of cultivation best suited to its soil and climate. The increase in agricultural wages has not proved at all injurious to agriculture; while it has contributed to render emigration temporary instead of permanent, it has also led to a more extensive employment of machinery.

After two chapters on mining industry and sea fisheries, our author goes on to consider the utilisation of raw material and the difficulties in the way of industrial development, owing to the small supply of minerals and coal, the limited amount of capital, the considerable dependence of Italy on foreign countries for its provision of machinery, the limited specialisation of labour, the high railway rates, etc. A special chapter is devoted to the utilisation of water power (*Carbone bianco*); others deal with the more important Italian industries and social legislation. And the writer draws the conclusion that the prevalence of small businesses, the extensive employment of women and children and the limited social supervision do not favour a very large development of industry, though the development is still considerable, when account is taken of the difficulties in its way, and of good promise, in spite of obstacles to it in the considerable exportation of agricultural produce in return for the industrial produce of other countries, in the high taxes on manufactures etc.

After devoting a long chapter to Italian Maritime Navigation, showing the difficulties the Italian Marine will have in making itself independent of foreign countries, on account of the high price of the material for ship-building, and fuel, and hence of the freights, our author reaches his special subject: the Mediterranean trade of Italy.

The treatment of this special subject is also preceded by two introductory sections: in the first, the Italian commercial policy is discussed; in the second the whole foreign commerce of Italy. The political history of Italian trade is divided into two periods: the first from the foundation of the Kingdom to the tariff revision of 1887; the second from 1887 to our own days. And the author dilates in special chapters on the economic importance of the 1887 tariff, illustrating the more recent changes introduced into it and tracing what seem to him will be the guiding lines of the future commercial policy of Italy; namely the maintenance of protection in agriculture and industry.

The whole foreign commerce of Italy is dealt with by our author principally on the basis of the statistics; generally; in its development since the foundation of the Kingdom; under existing conditions (that is, at the end of 1910); and in regard to purely agricultural produce as to that serving for industry. The unification of Italy, our author points out, closed a period of economic depression; in commercial politics a period of free trade followed, which was succeeded, owing to reasons of political finance and the effort to found a national industry, by a system of protection under which agriculture, industry and foreign trade developed. Often we hear complaints against the disturbance of the commercial balance, but these are unjust, in our author's opinion, as an attentive examination of the figures of the imports and exports shows a progressive intensification of the connection between the economy of Italy and that of other States.

Finally, our author considers the commercial relations of Italy with the Mediterranean countries, namely, with Austria-Hungary, France, Spain, Egypt, Greece, Turkey, Montenegro, Bulgaria and Servia. In respect to the relations with Austria-Hungary, our author relates the history of the commercial treaties and the present mutual relations, further making forecasts based on the conditions of the moment at which he composed his book. In the case of France also he relates the history of the customs relations and of the exchange, not ignoring the relations of Italy with Algeria and Tunis. A no less detailed study is presented of the trade of Italy with the other Mediterranean countries above mentioned.

When he reaches the end of his compendious treatise, Dr. Zallinger observes that the competition of the countries of the north and centre of Europe, her own imperfect industrial development and high railway and sea tariffs chiefly urge Italy towards one part of the Mediterranean the Eastern portion, which was formerly the field of the activity of Venice and Genoa, and has for Italy in comparison with certain other nations special advantages of its vicinity, to set against the special advantages of industrial superiority.

According to our author, the economic development of Italy is directly and indissolubly connected with the prosperity of her trade on the markets of the East. The modern network of international relations does not permit of her aspiring to the monopoly that the old republics enjoyed, but all the same she may obtain a dominant position. Certainly not only this has as yet been gained but, in the last ten years of her activity, Italy, on the one hand, there appear regrettable deficiencies and too slow and uncertain advance where much better progress could and ought to have been made, on the other hand favourable opportunities are still open to her, which might lead to good results, when the deficiencies are properly understood and the right road is entered upon without hesitation.

MANCINI (Adv. FERNANDO): L'Umbria agricola, industriale, commerciale. Studio economico-statistico. (*Agricultural, Industrial and Commercial Umbria. A Study in Economic Statistics*). Camera di Commercio e Industria dell'Umbria (*Umbrian Chamber of Commerce and Industry*). Year 1913. Foligno, Francesco Salvati, 1914. pp. 148.

This is a voluminous report on Umbria, considered from the three points of view of agriculture, commerce and industry, presented by the President of the Chamber of Commerce and Industry of Foligno to the Minister of Agriculture, in accordance with a special provision of the law on Chambers of Commerce.

The report consists of three parts: the first contains a summary of information obtained in regard to the movement of population, the public services and the institutions in connection with agriculture, industry and commerce; in the second, the various manifestations of the economic activity of the region are dealt with; in the last part, there is a list of the industrial businesses, with indications of their organization and productive power.

MOVIMENTO COMMERCIALE DEL REGNO D'ITALIA NELL'ANNO 1913: Parte seconda (volume I). Movimento per paese di provenienza e di destinazione (Paesi Europei). Ministero delle Finanze. (*Commerce in the Kingdom of Italy in 1913. Part. 2. (Volume I). Movement in regard to Countries of Origin and Destination. (European Countries). Finance Department*). Rome, G. Bertero, 1914. 671 pp.

This first volume of the second part of the statistical return of the Movement of Trade in the Kingdom of Italy in the year 1913, published by the General Excise Office (Finance Department) gives the amount of the "special trade", according to countries for the five years 1909-1913; and also the amount of the "special trade", according to countries and the nature of the produce for the year 1913; as well as analytical tables showing the countries of origin and destination of the goods.

NORWAY.

BERETNING OM DET KGL. SELSKAP FOR NORGESVELS OG ØJETS UNDERAVDELINGERS VIRKESOMHED I AARET 1913. (*Report on the Work of the Royal Society for the Welfare of Norway and its Local Sections*). Christiania, 1914. pp. 615.

The *Kgl. Selskap for Norges Vel* is the oldest and by far the most important of the agricultural societies of Norway.

Its object is shown in its name (*Royal Society for the Welfare of Norway*) and both identify the welfare of the country with that of agriculture.

That the society has never abandoned this position is seen in the action displayed by it since its foundation in 1809. We may form some idea of this from an examination of the last published report of its work, in the various departments of agricultural economy, that namely for 1913, work of technical character and economic organization, study of problems and propaganda.

The report in question also deals with the "*Landhussoldingsselskaberne*" (agricultural societies), forming so many branches of the *Selskap for Norges Vel*, by means of which it is able to extend its beneficial influence to the remotest parts of the extensive territory of Norway.

NEW ZEALAND.

REPORT OF DEPARTMENT OF LANDS AND SURVEY, NEW ZEALAND, FOR THE YEAR 1913-14. Wellington, 1914. John Mackay.

Although politically New Zealand is a highly developed State, with institutions even more complex than those of many older communities, it is still a new country in the sense that the work of colonisation is far from complete and much land remains open for settlement. In the year 1913-14, according to the Report of the Department of Lands and Survey, 474,586 additional acres were opened for selection and, in the same period, 500,396 acres were taken up. There is a great variety in the forms of tenure under which land may be acquired, but it is generally stipulated that the settler shall effect improvements of a certain minimum value and it is noteworthy that the improvements actually effected greatly exceed this minimum. The Reports of the Commissioners of Crown Lands for the various districts, although they are merely bald statements of facts, give interesting pictures of a new country in the making, and a few photographs have been added which help towards a more vivid realisation of pioneer life.

PARAGUAY.

PFANNENSCHMIDT (Dr. E.): Expert in Scientific Agriculture in the German Imperial Consulate at Buenos Aires): Die Landwirtschaft in Paraguay. (*Agriculture in Paraguay*). Berlin, 1914, pp. 52.

This work belongs to the series of *Berichte über Land- und Forstwirtschaft im Auslande* (Reports on Foreign Agricultural and Forest Economy) rendered by the German Foreign Affairs Department, and is the result of a journey recently made by the author in the region studied.

While the climate and the soil are favourable for agriculture and livestock improvement, on the other hand the population is insufficient.

its density is very low and high infant mortality and the emigration due to continual internal convulsions do not serve to increase it. What is more serious is that the best labourers go, leaving an insufficient number of even those less disposed to work. It is precisely his indisposition to constant labour, in spite of the excellent resistance he offers to the climate, which characterises the Paraguayan labourer. According to the author, the native born Paraguayan labourers cannot be counted upon and still less the Indians. The only hope then is to be placed in the immigration of more suitable elements.

Immigration to Paraguay is not extensive and revolutions have contributed to reduce it of late years. And even amongst the immigrants it is members of the professions that predominate and the agriculturists are very few.

The early legislative encouragements offered to immigrants were often taken advantage of by persons who, as soon as the Government assistance came to an end, left the country.

More recent laws give immigrants special facilitations and have provided for the foundation of colonies in the true sense of the word. But not even these new provisions have availed to attract a considerable immigration.

Experience has shown that those colonists succeed best who arrive with little or no capital; and if the initial difficulties have not been overcome in all the "colonies," this is due to a bad selection of colonists, too often limited to the unsuccessful in other occupations, to the so-called intellectual proletariat, to the discontented and those who vainly expect to find a new Eldorado in Paraguay.

Again, the colonies were generally formed without sufficient capital; some were established in unsuitable places, the cost of transport to which was excessive; very little attention was given to the cultivation of the soil and the choice of crops for cultivation; besides, not all the area of the lots assigned was cultivated and the European colonists have often been substituted by native Paraguayans.

If a change is to be made, the author suggests, that encouragement should be given to small colonies of those who will themselves work the soil with the assistance of their families, without at all depending upon the uncertain and expensive local labour, and that the last loan made by the Government should be utilised for this purpose.

UNION OF SOUTH AFRICA.

REPORT OF THE ECONOMIC COMMISSION. Presented to both Houses of Parliament by Command of His Excellency the Governor-General. Pretoria. 1914. The Government Printing and Stationery Office. 1 vol. in fol. 84 pp.

The Economic Commission was appointed by the Governor-General in September, 1913, to enquire into and report upon the following matters:

(1) Wages, working hours and the cost of living within the Union of South Africa as compared with other countries; (2) Cost of production in the Union; (3) The question of establishing a minimum wage in trades within the Union; and (4) Payment for overtime and for night work in trades or industries within the Union.

Under the Chairmanship of Prof. S. J. Chapman of the University of Manchester the Commission held sittings at Johannesburg and at sixteen other towns in the Union between the 13th October, 1913, and the 17th January, 1914, and having finished taking evidence reported without loss of time. Their Report is divided into eight sections which deal respectively with: I. Cost of living; II. Wages and conditions of white labour; III. Wages and conditions of non-white labour; IV. A legal minimum wage and allied questions; V. System of arranging wages and conditions of labour, and machinery for settling disputes; VI. Systems of paying wages; VII. Hours of labour and overtime; VIII. General summary of conclusions and recommendations.

The Commission found that the cost of living for whites (food and rents) on the Witwatersrand is about 40 per cent higher than in America and nearly 80 per cent. higher than in any European country, while wages are nearly 40 per cent higher than in America and nearly 225 per cent higher than in any European country. They consider it undesirable that the Government should lay down a minimum subsistence wage, or determine minimum wages for skilled or semi-skilled trades, or place barriers in the way of non-white labour. Further they recommend the establishment of voluntary conciliation boards and consider it essential, if satisfactory agreements are to be made and the existing labour unrest is to be allayed, that employers should recognize trade unions.

A summary of the evidence given before the commission is published separately. The Report itself, which contains much useful statistical and other material, is commendably short.

STEVENS, (E. J. C.): *White and Black*. 1 vol. 8 vo. 284 pp. London. Simpkin, Marshall and Co. (*Undated*).

This is an inquiry into the so-called "Native problem" in South Africa by a writer who might perhaps be best described as sympathetic but pessimistic. He paints an unpleasing picture of the conditions under which miscegenation takes place and a half-caste race is being built up. The process of intermixing, he says, is continuing to-day "on a scale greater commensurably with the increased European population of the country than has ever been before", the result being a gradual merging of black in white which if long continued will lead inevitably to the disappearance of the whites of unmixed blood from a very large part of South Africa. This, according to the writer, is the real danger which threatens the country. The "Native problem" is the problem of so adjusting the relations between

white and black that both races shall be free to attain their highest development without either, in its progress, encroaching upon the other.

To the problem thus postulated, segregation or separation of the races as here advocated would seem to be the logical solution. Mr. Stevens, however, rejects the views of those for whom segregation consists in herding the natives into their reserves and leaving them to their fate. This is not the selfish counsel of people who are anxious only to get rid of the natives in order to act without regard to them; and what they propose is moreover impracticable. Separation can only be brought about by years of assiduous care, by creating and fostering conditions which will in time lead the natives to settle of their own free will in certain parts of the country in which they only will be entitled to hold land. Conversely, they would be gradually excluded from the rest of the country where title to land would be granted only to whites.

One chapter of Mr. Stevens' book is devoted to "Native Education", and two chapters (which are among the most important in the book) to a discussion of the problem of the "Poor Whites". In the final chapter, entitled "The Asiatic Menace", the writer declares himself uncompromisingly hostile to Indian immigration.